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Private higher education policy in Ohio, 1980-2006 : a case study demonstrating the usefulness of Zumeta's public policy posture model

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FLORIDA INTERNATIONAL UNIVERSITY

Miami, Florida

PRIVATE HIGHER EDUCATION POLICY IN OHIO, 1980-2006:

A CASE STUDY DEMONSTRATING THE USEFULNESS OF

ZUMETA'S PUBLIC POLICY POSTURE MODEL

A dissertation submitted in partial fulfillment of the

requirements for the degree of

DOCTOR OF EDUCATION

in

HIGHER EDUCATION

by

Timothy S. Bessler

2009

To: Interim Dean Kingsley Banya
College of Education

This dissertation, written by Timothy S. Bessler, and entitled Private Higher Education Policy in Ohio, 1980-2006: A Case Study Demonstrating the Usefulness of Zumeta's Public Policy Posture Model, having been approved in respect to style and intellectual content, is referred to you for judgment.

We have read this dissertation and recommend it be approved.

Glenda Droogsma Musoba

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Date of Defense: March 13, 2009

The dissertation of Timothy S. Bessler is approved.

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University Graduate School

Florida International University, 2009

DEDICATION

I dedicate this dissertation to my two boys, Paul and William, and to my wife, Vanessa. Thank you for giving me the space and time to pursue this project and your love and encouragement to see it through to the end.

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ABSTRACT OF THE DISSERTATION

PRIVATE HIGHER EDUCATION POLICY IN OHIO, 1980-2006:

A CASE STUDY DEMONSTRATING THE USEFULNESS OF ZUMETA'S PUBLIC

POLICY POSTURE MODEL

by

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Florida International University, 2009

Miami, Florida

Professor Benjamin Baez, Major Professor

This study describes the case of private higher education in Ohio between 1980 and 2006 using Zumeta's (1996) model of state policy and private higher education. More specifically, this study used case study methodology and multiple sources to demonstrate the usefulness of Zumeta's model and illustrate its limitations. Ohio served as the subject state and data for 67 private, 4-year, degree-granting, Higher Learning Commission-accredited institutions were collected. Data sources for this study included the National Center for Education Statistics Integrated Postsecondary Data System as well as database information and documents from various state agencies in Ohio, including the Ohio Board of Regents.

The findings of this study indicated that the general state context for higher education in Ohio during the study time period was shaped by deteriorating economic factors, stagnating population growth coupled with a rapidly aging society, fluctuating state income and increasing expenditures in areas such as corrections, transportation and social services. However, private higher education experienced consistent enrollment

growth, an increase in the number of institutions, widening involvement in state-wide planning for higher education, and greater fiscal support from the state in a variety of forms such as the Ohio Choice Grant. This study also demonstrated that private higher education in Ohio benefited because of its inclusion in state-wide planning and the state's decision to grant state aid directly to students.

Taken together, this study supported Zumeta's (1996) classification of Ohio as having a hybrid market-competitive/central-planning policy posture toward private higher education. Furthermore, this study demonstrated that Zumeta's model is a useful tool for both policy makers and researchers for understanding a state's relationship to its private higher education sector. However, this study also demonstrated that Zumeta's model is less useful when applied over an extended time period. Additionally, this study identifies a further limitation of Zumeta's model resulting from his failure to define "state mandate" and the "level of state mandates" that allows for inconsistent analysis of this component.

TABLE OF CONTENTS

CHAPTER	PAGE
I. INTRODUCTION	1
Background of the Study	1
Research Problem and Purpose	2
Research Questions	5
Assumptions and Limitations Underlying the Study	6
Rationale for Study	7
Significance of the Study	7
Conceptual Framework	9
Definitions	10
Summary	12
II. REVIEW OF RELATED LITERATURE	14
Defining Private Higher Education	14
Historical Overview of U. S. Private Higher Education	19
State Involvement in Higher Education	27
State Coordination and Governance Structures	32
State Policy Posture Toward Private Higher Education	38
Necessary State Interference	41
Support for Use of Case Study Methodology	45
Summary	49
III. METHODOLOGY	51
Research Design	52
Data Sources and Collection	58
Ohio Higher Education Work Processes	59
Ohio Demographics, Economy, and Governance	60
Private Higher Education in Ohio	63
Higher Education Governance and Work Processes	70
Ohio Policy Posture Toward Private Higher Education	73
Data Analysis	80
Trustworthiness	82
Summary	83
IV. RESULTS	84
Demographics	84
Governance and Leadership Structure	106
Ohio Budget Process	109
Characteristics and History of Higher Education	119
Private Institution Revenue and Expenditures	134
Ohio Higher Education Governance	146
Summary	194

V.	DISCUSSION	202
	Discussion of Results	203
	Implications	214
	Recommendations for Future Research	222
	Conclusion	225
	LIST OF REFERENCES	226
	APPENDICES	243
	VITA	255

LIST OF TABLES

TABLE	PAGE
1. IPEDS Enrollment Demographic Variables	65
2. IPEDS Budget Revenue Variables	67
3. IPEDS Budget Expenditure Variables	68
4. IPEDS Variables for Land, Buildings & Equipment	69
5. IPEDS Variables for State Appropriations and Grants	76
6. Ohio Population, 1960-2005	85
7. Ohio Births, 1957-2002	86
8. Ohio Population Trend for Residents 18-24 and 65 or Older	87
9. Race and Ethnicity Distribution of Ohio's Population	88
10. Immigration and Ohio's Population	89
11. Ohio Residents with a High School Diploma by Gender	92
12. Ohio Residents with a High School Diploma by Race/Ethnicity	93
13. Ohio Residents with Bachelor's Degree or Higher by Gender	93
14. Residents with Bachelor's Degree or Higher by Race/Ethnicity	94
15. Ohio Per Capita Income	99
16. Ohio Poverty Levels	100
17. Ohio Unemployment Levels	100
18. Ohio Employment Shift, 1990-2005	104
19. Ohio Budget Revenue Sources (in millions)	113
20. Ohio Budget Expenditures (in millions)	115
21. Primary and Secondary Education Expenditures (in millions)	116

22.	Ohio Higher Education Expenditures (in millions of dollars)	117
23.	Higher Education Institutions	121
24.	Enrollment Overview, 1980-2006	122
25.	Religious Affiliation of Ohio's Private Institutions	124
26.	Highest Degree Offered	125
27.	Gender Distribution in Private Institution Enrollment	127
28.	Race/Ethnicity Distribution in Private Institution Enrollment	128
29.	Enrolled Persons Not Reporting Race or Ethnicity	129
30.	Enrolled Persons Reporting Non-Resident Alien	130
31.	Ohio Private Institution Annual Tuition Change, 1980-2006	132
32.	Private Institution Sources of Revenue, 1988-2004	135
33.	Private Institution Expenditures, 1988-2004	139
34.	Property Tax Savings by Private Institutions, 1988-1994	144
35.	Property Tax Savings by Private Institutions, 1998-2000	145
36.	Ohio Need-Based Aid, 1988-2000	163
37.	Ohio Grant Aid, 1988-2000	164
38.	Key Ohio Scholarships and Grants	167
39.	Ohio Instructional Grant Award Range by Institution Type	171
40.	Ohio Instructional Grant Award History, 1982-2002	172
41.	Ohio Student Choice Grant Funding	178
42.	Ohio Academic Scholarship	180
43.	Ohio Higher Education Time Line, 1980-2006	204

CHAPTER I

INTRODUCTION

This is a study of the usefulness of Zumeta's (1996) public policy posture model for understanding state policy impact on private higher education in Ohio between 1980 and 2006. Previous studies of state impact on private higher education have considered key policies at the state level and corresponding impact on the private sector from a macro and quantitative perspective. For example, Astin and Inouye (1988) used national databases to conduct regression analyses exploring state policy's impact on private higher education. Zumeta (1992, 1996) and Thompson and Zumeta (2001) also utilized national databases to explore state policy. In his 1996 study, Zumeta identified six key policies, all "selected for their importance and contribution to providing a complete picture of state policies affecting private higher education" (p. 373). While information on Ohio can be gleaned from the Astin and Zumeta studies, specific analysis of this state or of private higher education in Ohio was not conducted.

Background of the Study

Private higher education has long held a prominent place in the United States and has played an important role in the delivery of postsecondary education to baccalaureate-, masters-, and doctoral-degree seeking students. According to the Carnegie Foundation for the Advancement of Teaching (2006), over 4,387 public, private not-for-profit, and private for-profit higher education institutions were in operation in the United States in 2005. Of these, Carnegie classifies 1,743 as private, not-for-profit, and notes that enrollment in this part of the private higher education sector represents close to 3.6 million of the nation's 17.57 million students enrolled in 2005. Private higher education

institutions can be found within each state of the Union except Wyoming (National Center for Public Policy and Higher Education, 2002, 2006). Moreover, in many cases private institutions far outnumber public institutions in a given state and arguably provide a different educational environment than the often larger public universities and community college systems.

Throughout the history of public and private higher education in this country, countless studies have focused on almost every aspect of the higher education environment, from the students, faculty, staff, and alumni who come together in the creation of various campus specific environments, to local, state, and national leaders who craft and interpret laws providing governance and accountability. Research on which students attend which type of institution and why, along with how students fund their education are numerous, as are studies considering the vast set of federal and state laws having an impact on public higher education. However, it is only in recent years that separate and more complete studies of private postsecondary education have appeared. Still, these studies often lack the analysis necessary to understand the complexity and variations present in an individual state's private higher education environment.

Research Problem and Purpose

Private higher education has been widely recognized and valued for its independence, diversity, long-standing traditions, dedication to a liberal education, high standards of academic freedom, attention to each student, contributions to local cultural life, provision of student access to higher education, and competition with the public sector (Berdhal, 1971; Carnegie Council, 1977; Hines, 1988; Zumeta, 1996). Private higher education institutions operate within states, which serve as the primary public

policy units for all education. The states largely determine preparation standards for college students by controlling the public K-12 system and give significant support to private higher education via student financial aid, tax exemptions, and in some cases direct institutional appropriations. It is worth noting that state involvement in its private higher education sector varies widely and is influenced by the state's history, governance structure, political leadership, socio-economic and demographics, and the marketplace (Bowen et al., 1997; Callan, Doyle, & Finney, 2001; Richardson, Reeves-Braco, Callan, & Finney, 1999; Wolfram, 1997; Zumeta, 1996). Additionally, states determine the structures of public higher education and can encourage or discourage collaboration between the public and private sectors (Callan, Doyle & Finney, 2001.) With these considerations in mind, an exploration of the usefulness of Zumeta's (1996) public policy posture model and a state government's impact on private higher education may be accomplished by providing a case study of the state's higher education system, the characteristics of its private sector, and the relationships between these component parts.

Previous research on state higher education has explored specific types of state governance structures (Bowen et al., 1997; Callan et al., 2001; McGuiness, 2002; Richardson et al., 1999; Schick, Novak, Norton, & Elam, 1992; Venezia, Callan, Finney, Kirst, & Usdan, 2005; Wolfram, 1997;) and policies (Astin & Inouye, 1988; Martinez, 1999; Thompson & Zumeta, 2001; Zumeta, 1996), with varying levels of consideration for the impact each has on the private higher education sector. For the most part, these studies have taken a national approach to the exploration of private higher education, while only briefly delving into specific state contexts and environments. However, since the late 1990s the National Center for Public Policy in Higher Education (the National

Center) has pursued more state-specific research using case study methodology. The National Center has conducted case-studies on the higher education policy environments in Florida, Michigan, Illinois, New York, North Dakota, Utah, Oregon, and Georgia. The National Center's use of case study methodology demonstrates the value of this type of research approach for such a broad ranging topic with multiple data sources. In fact, Collins and Noblit (1978), Stake (1981), Yin (1994) and Merriman (1998) each note that the benefit of using case study methodology for the research conducted in this study. Furthermore, the success of the National Center's use of this methodology suggests that the case study approach is best suited to understanding the nature and relationship of a given state and its private higher education institutions.

Two limitations are notable with these previous studies. First, with the exception of the research conducted by Schick et al. (1992), existing research on Ohio higher education has been conducted primarily via lobby organizations and state entities; thus potentially limiting objectivity and impartiality. Furthermore, despite the large role played by private higher education in the national delivery of postsecondary education, and specifically within Ohio, the recommended development of case studies of the private sector and its place within a given state's policy environment has not been undertaken.

Private higher education has influenced the fabric of American society from the earliest days of the nation, and private institutions are reflections of the changing and developing American society, its diversity, traditions, and values. As previously noted, these institutions represent over 50 % of the nation's higher education institutions and enroll almost 21 % of its college going population (Chronicle of Higher Education,

2005). Ohio, the seventh most populated state, enrolled just under 135,000 students in private higher education during the 2005-2006 academic year, approximately 33 percent of Ohio's college enrolled population (IPEDS, 2006). The substantial level of enrollment in private higher education, coupled with Ohio's diverse array of institutions, demographics, and economic and political influences offers a case study rich with information to begin addressing limitations in the research on private higher education. Specifically, my study sought to offer a case study of the private sector of higher education in the state of Ohio from 1980 through 2006 and explore the usefulness of Zumeta's (1996) scheme in understanding the policy posture of Ohio toward this sector. Furthermore, my study sought to identify the role of the state in the provision of private higher education in Ohio, focusing on the state's justification for involvement in this sector, levels of access and equity of state support and involvement with the private sector, and the extent to which the private sector is actively engaged in state planning. The goal of my research was to offer a method for applying Zumeta's (1996) scheme in a single state and enrich current discussions regarding the role of private higher education, which is inextricably bound to the state policy context, although little is known about how this takes place.

Research Questions

For this study I have investigated the following major research question: What are the trends in Ohio educational policies incorporating greater governance and financial support of private higher education from 1980 to 2006? Embodied in this general inquiry were the following specific questions that were explored via the case study method:

1. What is the impact of state government on private higher education in Ohio?
2. How have historical factors from 1980 through 2006 influenced the current design of Ohio's higher education governance structure and financial support of the private sector?
3. What is Ohio's policy posture (as defined by Zumeta) toward private postsecondary education?
4. What are the funding mechanisms and policies affecting private higher education in Ohio?
5. To what extent has the private higher education sector been incorporated into statewide planning and implementation of the postsecondary education delivery system in Ohio?

Assumptions and Limitations Underlying the Study

This type of research carries with it several assumptions and limitations. First, I assumed that the role of private higher education in Ohio is significant to the state in achieving its higher education goals. I also assumed that sufficient documentation and resources existed to present a case study of private higher education within the state and the corresponding place of the private sector in this state. My final assumption was that the current state of private higher education in Ohio was, and continues to be, of local, regional, and national importance to warrant such a review.

The limitations of this study are related to the case study approach. The focus of this study was intentionally limited to private higher education in Ohio. Although the private sector of higher education in Ohio is large, limiting analysis to this state and

sector restricts my ability to generalize beyond the present case. Furthermore, the credibility and trustworthiness of the study results presented herein are dependent on my ability to analyze and synthesize information with objectivity, integrity, and honesty. Finally, and as Stake (1981) cautions, this study was limited by time, financial resources, and the possibility that I oversimplified or exaggerated identified issues or scenarios analyzed as part of this research, thus resulting in inaccurate conclusions about Ohio's impact on private higher education during the study time period.

Rationale for Study

The California Higher Education Policy Center and the National Center for Public Policy and Higher Education have conducted state-based case studies of higher education. These studies have provided in-depth analyses of the target states while giving balanced, if limited, consideration to these states' private sectors. Richardson et al. (1999) conducted a comparative case study analysis of seven state higher education systems, specifically considering the ways in which institutional performance was influenced by state policy environments and governance structures. None of these case studies were of Ohio. Schick et al. (1992) did conduct a case study analysis of Ohio's education system, but the public sector served as the study's focal point and the private sector was only briefly discussed. While these case studies provided in-depth analysis of some states' higher education, there have been very few studies on Ohio, and none focusing on private higher education in Ohio.

Significance of the Study

Research on the role of state higher education governance structures, funding, policies, enrollment and graduation rates, and a variety of other issues has regularly

appeared in the literature for the past 30 years. More recently, the National Center for Public Policy in Higher Education (2002, 2004, 2006) has embarked on an important bi-annual analysis of higher education in the 50 states. Additionally, many studies have considered state specific systems of higher education and governance structures (Astin & Inouye, 1988; McGuinness, 1999, 2002; Richardson et al., 1999; Zumeta, 1992, 1996). However, specific research on the private sector of higher education is limited. Furthermore, case studies of individual states' private higher education sectors are even more limited. Additionally, I did not find any studies that applied Zumeta's (1996) public policy posture model beyond his initial research in the 1990s. This current research was designed to help fill these gaps with respect to the usefulness of Zumeta's scheme and Ohio's private sector of higher education.

Over 4,380 postsecondary institutions are in operation throughout the United States. Of these 1,743 are designated as private not-for-profit institutions (Carnegie Classification, 2005) and 118 are located in Ohio (The Chronicle of Higher Education Almanac, 2005), 74 of which are 4-year degree granting institutions. As these numbers suggest, the private sector is an integral part of the nation's higher education delivery system. Moreover, Bowen et al. (1997) note that the cost per capita for public higher education enrollments, along with overall spending by states on higher education, tend to be lower in those states with large, active, and favorably perceived private higher education sectors, such as Ohio. However, despite the large number of institutions and students enrolled in them, as well as their diversity, traditions, high standards of academic freedom, contributions to local cultural life, and the additional access they provide to niche populations in a state, research on this sector is sparse, particularly when compared

with the research on public higher education (Berdahl, 1971; Carnegie Council, 1977; Hines, 1988; Zumeta, 1996). Given the importance of this sector of higher education, research providing insights that may inform policy makers, administrators, and the consumer is important.

Conceptual Framework

Previous case studies of state policy and higher education have explored a range of issues having impact on higher education. Invariably, these studies discussed a state's demographics, economy, political influences, and governance structures influencing higher education. However, private higher education often is discussed briefly and simply as a component of the state's higher education environment. Bowen et al. (1997) initially presented a framework for the study of state policy and higher education governance structures that Richardson et al. (1999) used as a guide for case study research in seven states. Together, their work provides a general guide for case studies on state policy and higher education, including a conceptual framework for understanding the policy environment, design of the state governance system, and corresponding work processes engaged in by such governance systems.

Zumeta (1996) provided a specific scheme for studying the state's policy posture toward private higher education. Particularly, he offered various components significant for understanding the state's impact on private higher education, including: (a) changes in student-aid funding, (b) absence or presence of direct payments to private institutions, (c) public higher education tuition levels, (d) the extent of private sector involvement in higher education planning, (e) the absence/presence of duplication of private institution programs as a criterion in state review of new program proposals by public institutions,

and (f) the extent of state mandates and regulations affecting private colleges and universities. Zumeta also argued that state educational governance structures play a pivotal role in understanding the policy posture toward private higher education. To that end, he identified three classifications of state policy postures to describe how a state incorporates the private sector into its higher education governance system: laissez-faire, central planning, or market-competitive. Zumeta's scheme, coupled with the conceptual framework initially presented by Bowen et al. (1997) and utilized by Richardson et al. (1999) provided a good research design for understanding Ohio's state policy impact on its private higher education sector. As a result, this present study used national and state databases, government documents, lobby organization documents, private higher education institution reports, print media, and short, structured interviews with members of the Ohio community involved with private higher education.

Definitions

As previously noted, state higher education systems differ from state to state. Furthermore, the general lack of consistency from state to state regarding the definition of various terms and references requires some discussion of key words and concepts utilized to describe this case. Therefore, for the purpose of this research, I define key terms below.

Institution: For the purpose of this research, the term "institution" shall be inclusive of those private and public non-profit colleges, universities, technical schools and community colleges in the state of Ohio. More specifically, the term "institution" shall be defined as outlined in the 2006 Ohio Revised Code, Title XVII, chapter 1713.01, which states that an institution is

(A) any nonprofit university, college, academy, school, or other institution, incorporated or unincorporated, that does any of the following: (1) Awards or intends to award diplomas for the completion of a course designed to prepare students to be eligible for certification as registered nurses; (2) Offers or intends to offer instruction in the arts and sciences, teacher education, business administration, engineering, philosophy, literature, fine arts, law, medicine, nursing, social work, theology and other recognized academic and professional fields of study, and awards or intends to award degrees for fulfilling requirements of academic work beyond high school; (3) Offers or intends to offer a course or courses in any of the areas described by division (A)(1) or (2) of this section that are applicable to requirements for a diploma or degree named in either such division.

(B) Any college, university, or school that offers or intends to offer one or more courses in this state of the type described in division (A) of this section and that is operated by another state or a subdivision or other governmental entity of another state. (2006)

Independent: Zumeta (1992) used “independent” and “private” interchangeably when referring non-public institutions of higher education. However, the interchangeable use of the word does not provide a clear definition for this research. Chapters 3335 through 3364 of the Ohio Revised Code (2006) provide the statutory foundation for the existence of Ohio’s public 4-year, community, and technical colleges. The remaining institutions include for-profit and non-profit private higher educations. Therefore, for the purpose of this research, “independent” shall be understood to mean those for-profit and non-profit institutions of higher education which are not identified by statute in the Ohio Revised Code, chapters 3335 through 3364 (2006).

Higher education market: For this study I used Richardson et al.’s (1998, 1999) definition of the higher education market as “the broad array of interests and influences that are external to the formal structures of both state government and higher education institutions that include economic influences such as competitive pressures, user satisfaction, cost and price...and non-economic forces such as demographic

characteristics and projections...political pressure, and public confidence” (Richardson et al., 1999, p. 12).

Institutional market share: Thompson and Zumeta (1998) identify institutional an market by dividing each private institution’s enrollment in the year of interest by the total public and private enrollment in the state. For the purpose of this study, enrollments for the 1980-81, 1985-86, 1990-91, 1995-96, 2000-01, and 2005-06 academic years shall be utilized to determine institutional market share in Ohio at 5-year intervals during the case study time period.

Public higher education: Public higher education shall encompass those institutions which are identified as non-profit, degree granting state institutions by the 2006 State of Ohio Revised Code Section XXXIII. This shall include both community colleges and 4-year state institutions.

Private higher education: Private higher education in Ohio shall include all non-profit, 4-year, degree-granting independent institutions of higher education.

State system of higher education: This study used the definition provided by Richardson et al. (1999) which described a state system of higher education as made up by “elected officials, executive and legislative agencies, and state procedures for regulation and finance, as well as public and private postsecondary colleges and universities” (p. 4).

Summary

Callan and Finney (1999), Hines (1999), Richardson et al. (1999), and Zumeta (1996), each recommended that state-specific research be conducted to provide more complete pictures of higher education within individual states. Furthermore, a number of

researchers and policy organizations seem to have responded to their call, and so over the past 6 years numerous state-specific studies have been conducted. However, with the exception of the Schick et al.'s (1992) case study of public higher education in Ohio, the state has not been the subject of such research. This study sought to use case study methodology to create a picture of the private sector of higher education in Ohio. To this end, the goal of this research was to describe the case of private higher education in Ohio between 1980 and 2006 to enrich current discussions regarding the role of private higher education within states, with particular emphasis on informing discussion about education policy.

CHAPTER II

REVIEW OF RELATED LITERATURE

This chapter provides a definition of private higher education. Then it briefly discusses the history of private higher education, with specific attention to federal court decisions and legislative initiatives which have shaped the private sector's current form in the United States. Furthermore, the role of the state in the provision of private higher education is considered, emphasizing the time period of 1980 through 2006. More specifically, consideration is given to the indicators that provide insight into Ohio's higher education environment, its higher education governance structure, the extent to which it has chosen to "interfere" (Berdahl, 1971) with the private sector and in what manner, the role of the marketplace in higher education, and the place and influence of lobby organizations and popular media in the private higher education arena. Finally, this chapter discusses the role of case study research with respect to private higher education, highlighting the need for use of this research technique to support the exploration of Ohio's role in private higher education.

Defining Private Higher Education

Successful discussion of state policy for private higher education first requires an understanding of what one means by private higher education. Levy (1986) argues that "no behavioral criterion or set of criteria consistently distinguishes institutions legally designated private from institutions legally designated public" (p. 170). In fact, history shows that the public private college distinction was irrelevant in the early history of the United States. Though colleges were often established by private charities and donations, they were also chartered by the colonies, received financial support from them, and were

subject to their regulations. This relationship did not significantly change after the Revolutionary War, and for nearly the first 200 years of existence American colleges readily accepted government funding from their respective states. Moreover, colleges often looked upon state support as a public responsibility due to them for the public service they provided (Levy, 1986; Rudolph, 1990). While the fiscal relationship between the colleges and the state has changed over time, a clear and concise definition that effectively articulates the mission, control, funding, and nature of private universities remains elusive. Levy (1986) suggested four major criteria for developing a definition of private higher education: finance, control, mission, and extant usage. Explaining extant use, Levy argued that private is “whatever is called a private” (p. 180).

According to Levy (1986), identifying the sources of funding and their cutoff points (the point at which funding levels cause a shift in the distinction from private to public) provides only limited assistance in clarifying what is private higher education. Institutions given non-profit designation resulting in tax exemption, as well as the trend beginning in 1972 of government aid going directly to students, only provides for a greater level of subsidization of the private sector by state and federal governments. This increase subsidization would further suggest that private higher education institutions may not truly be private or independent. Therefore, according to Levy, the usefulness of determining the source of financing in the private sector becomes a less helpful tool in clearly defining the boundaries of the private higher education sector.

Accurately gauging the degree of control and the form of control of an institution also provides little assistance or additional clarity in establishing a distinction between private higher education and public higher education. According to McGuinness (1999),

Mingle (1999), Richardson et al. (1999), Thompson and Zumeta (2001), and Zumeta (1996), states employ a variety of control structures for higher education that provide some distinction between public and private institutions. Furthermore, and as I elaborate on in my case study, the ability of some state governors to appoint some, if not all, members of a state higher education coordinating agency overseeing both private and public institutions only leads to more questions about the relevance of control and corresponding autonomy of private institutions. Levels of autonomy vary not only within public and private sectors of higher education across the nation but also within states based on their constitutions and statutes. Moreover, the increasing role of the federal government in providing direct aid to students, while simultaneously attaching requirements for institutions accepting this support, have only muddled the ability of observers to classify effectively and consistently private versus public institutions based on the combination of funding sources and control factors.

Institutional mission and, generally speaking, the simple designation of “private” for an institution also present challenges in clearly identifying a private institution from a public one. The mission of a public institution compared to that of a private institution, when considering the institution’s clientele and quality, does not create any clear distinction between the two. Furthermore, the student enrollment demographics and general curricular focus of an institution’s academic programs do little to assist in distinguishing private from public institutions, particularly with respect to institutional mission statements. Finally, simply being referred to as private, either from a legal standpoint or from common reference within a given community, does not provide any

further insight into establishing clear differences between public and private institutions (Levy, 1986).

Given these limitations regarding what is generally referred to as private higher education, it becomes clear that settling on a broadly agreed definition of this educational sector may well be impossible. However, given the focus of my research, a definition was necessary, at least as a starting point for beginning the research. The 2006 Ohio Revised Code, Title XXXIII, chapter 3334.01, defines institutions of higher education as follows:

a state institution of higher education, a private college, university, or other postsecondary institution located in this state that possesses a certificate of authorization issued by the Ohio board of regents . . . to be considered an institution of higher education . . . shall meet the definition of an eligible educational institution under section 529 of the Internal Revenue Code.

While this definition provides some clarity regarding what an institution of higher education is in Ohio, it sheds little light on how the state defines private higher education. Therefore, for the purpose of this study, and with due consideration to the various limitations previously outlined, a private institution will be defined in accordance with the guidelines established in the 2006 Ohio Revised Code, Title XVII, chapter 1713.01, which states that a private higher educational institutions is:

(A) Any nonprofit university, college, academy, school, or other institution, incorporated or unincorporated, that does any of the following: (1) Awards or intends to award diplomas for the completion of a course designed to prepare students to be eligible for certification as registered nurses; (2) Offers or intends to offer instruction in the arts and sciences, teacher education, business administration, engineering, philosophy, literature, fine arts, law, medicine, nursing, social work, theology and other recognized academic and professional fields of study, and awards or intends to award degrees for fulfilling requirements of academic work beyond high school; (3) Offers or intends to offer a course or courses in any of the areas described by division (A)(1) or (2) of this section that are applicable to requirements for a diploma or degree named in either such division.

In other words, Ohio defines private higher education based on type of degree and curriculum offered to enrolled students. The 2006 Ohio Revised Code, Title XVII, chapter 1713.02, further notes that:

B) Except as provided in division (E) of this section, no nonprofit institution or corporation of the type described in division (A) of section 1713.01 of the Revised Code that is established after October 13, 1967, may confer degrees, diplomas, or other written evidences of proficiency or achievement, until it has received a certificate of authorization issued by the Ohio board of regents, nor shall any such institution or corporation identify itself as a “college” or “university” unless it has received a certificate of authorization from the board.

Therefore, in light of this definition, the universe of private higher education in Ohio as of 2006 includes 126 institutions (IPEDS, 2006). Included in this universe of private, not-for-profit Ohio higher education are 2-year institutions which are not included as part of my study. Furthermore, my study focused private, 4-year, degree-granting, not-for-profit institutions accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The additional restrictions reduced the number of institutions to 58 as of 1980 and 67 as of 2006 for inclusion in the present study (HLC, 2007).

Title 17 of the Ohio Revised Code addresses corporations and partnerships established in the state and include specific guidelines for non-profit and for-profit corporations. Furthermore, chapter 1713.01 of Title 17 provides clear articulation of what the state considers an educational corporation. This law also provides a collective definition of educational corporations, including postsecondary institutions, based on the awarding of diplomas or the offering of academic instruction in a variety of professions.

Today, over 4,380 postsecondary institutions are in operation throughout the United States, over half of which are designated as private and 1,743 as private not-for-

profit institutions (Carnegie Foundation, 2006). As previously noted, the Higher Learning Commission (HLC) reported that in 2006 Ohio's private, not-for-profit, 4-year degree-granting, HLC-accredited institutions totaled 67 (2007). The establishment in the United States of such a large and vibrant private higher education sector was not intentional by the states or federal government, and the long term success of these institutions was not guaranteed. Therefore, understanding the contemporary perspective of private higher education can be greatly enhanced by considering its history in the United States.

Historical Overview of U.S. Private Higher Education

The contemporary concept of private higher education emerged in the early 19th century after the Supreme Court's ruling in *Trustees of Dartmouth College v. Woodward*, 17 U.S. 518 (1819). Prior to this ruling, a distinction between private and public colleges did not exist. In *Dartmouth*, the Court invalidated the New Hampshire legislature's attempt to bring the college under state control, and its ruling directly limited the extent to which a given state could exert control over a private institution. In its decision, the Supreme Court held that the state could not impair the charters of private entities and established basic protection rights from government interference for private institutions. Despite the *Dartmouth* ruling, state governments around the country continued to provide fiscal support to postsecondary institutions, and the lack of a public private distinction continued. However, subsequent rapid establishment of hundreds of denominational colleges, an after-effect of *Dartmouth*, forced state governments to recognize that "they were financially and emotionally in no position to support all of them" (Rudolph, 1990, p. 187). Thus the first tentative movements toward a public private distinction of state involvement in higher education emerged.

If *Dartmouth* provided a basis upon which the public private split would be built, the 1862 Morrill Act serves as the cornerstone. The Morrill Act is widely recognized as the first major foray of the federal government into the higher education arena because it provided support in every state for at least one college offering agricultural and mechanical arts education (Rudolph, 1990). The resulting influx of federal dollars for higher education led state governments, already starting to limit their fiscal support of “private” institutions, to turn their emphasis toward the creation of the new “land-grant colleges.” Additionally, around this time, an increasing number of state constitutions “came to include prohibitions against state aid to sectarian institutions...and, in some cases, this prohibition was extended to all private institutions” (Berdahl, 1971, p. 202). Private institutions, used to public support, found themselves asserting the value of their new-found independence and fiscal self-reliance out of necessity if not denial of the changing direction of state policy (Rudolph, 1990).

By 1898 the combined effect of these historical events led to a more widespread perception of two distinct categories in higher education: the public and the private. The concept of “private institutions, which supported themselves through tuitions and endowments; and the public institutions, which received legislative appropriation” had taken root in the American conceptualization of higher education (Whitehead, 1973, p. 2). Despite this growing sense of distinction among the public, federal policy toward higher education through the end of the 1940s continued to treat public and private institutions the same (Parsons, 1997). State support for private institutions, however, continued to wane as legislators gave greater policy and fiscal emphasis to the growing

public higher education sector, whose reach was broader, whose educational outcomes were more in line with state needs, and over which the state had greater control.

The 1948 G.I. Bill and the 1958 National Defense Education Act both played important roles in the continued development of American higher education. However, neither of these legislative initiatives treats private and public postsecondary institutions differently. Only with the passage of the Higher Education Facilities Act of 1963 and, more importantly, the 1965 Higher Education Act (HEA) did federal policy begin to affect the public and private sectors in different ways, which in turn, affected the role of the state. Specifically, the Higher Education Act of 1965 was intended to “strengthen the education resources of...colleges and universities and to provide financial assistance for students in postsecondary and higher education” and increased federal money to colleges and universities to strengthen the community service of these institutions (Higher Education Act of 1965, Pub.L.No. 89-329, § 79 Stat. 1219, 1965). Furthermore, the HEA created scholarships and low interest loans for students, with the goal of increasing participation in higher education in this country. Via the authorization of these provisions, the Higher Education Act firmly established a federal government policy agenda for higher education and brought about a trend toward the centralization of state governance for higher education that remained in effect through the 1970s (McLendon, Heller, and Young, 2005). The new federal agenda focused on equal opportunity, access, and choice and made education the object of policy rather than just a tool for policy implementation (Parsons, 1997). Furthermore, passage of the Higher Education Act signified a federal education position that focused on the public benefit generated by a more educated society, with less emphasis on the benefit to the individual. This position

fundamentally altered the manner in which both the federal and state governments interacted with the postsecondary sector of higher education, the students who enrolled, and the work of higher education professionals charged with implementing this agenda.

Title IV of the Higher Education Act is the starting point when tracing the foundation of contemporary state policy for private postsecondary education. Three financial support programs were created by Title IV: the Educational Opportunity Grants (which later became the Supplemental Educational Opportunity Grants), the guaranteed student loan (GSL) program, and work-study program. These programs served as the central components of the original legislation and have played a leading role influencing the shaping of state policy through the late 20th century and into the 21st century. These federal financial assistance programs were specifically targeted at students with moderate to excessive financial need, regardless of the institutional type (public or private) they chose to attend. The combined effect of these programs was a significant increase in postsecondary enrollments and the successful presentation of higher education as a societal and not just simply individual benefit. However, this success simultaneously set the policy table for a shift in financing methods at both the federal and state level. As enrollments increased in the late 1970s and 1980s, the use of federal dollars came under greater scrutiny and more conservative legislatures began to question the actual societal benefits of higher education and the worthiness of their associated cost.

Subsequent reauthorizations of the HEA witnessed the fine-tuning of established program and funding patterns, and the creation of additional support programs focused on expanding access to higher education. In 1972 Congress created the Basic Educational Opportunity Grant (re-named the Pell Grant during the 1980 reauthorization), which

targeted financially needy students in order to increase opportunity through student aid, and the State Student Incentive Grants (SSIG), which served to provide the states seed money for the creation or expansion of state-run postsecondary scholarship programs (Parsons, 1997). The Ohio College Opportunity Grant and the Ohio Student Choice Grant are two examples of how the SSIG program translated into access-orientated state policy. Furthermore, the Pell Grant quickly became one of the most recognized and important of federal programs supporting college enrollment in both the private and public sectors. The 1980 reauthorization of the Act created Parents Loan for Undergraduate Studies (PLUS) as well as increases in GLS program and Pell Grants. This gave early warning of a shift toward greater student and family financial responsibility for higher education, which would loom large in the 1986 reauthorization process (Parsons, 1997).

Between 1965 and the early 1980s federal funding to higher education continued to increase, and state policy and fiscal support followed. The combined effect was broader access to the collegiate experience in the private and public sectors, increasing enrollments, and expanding institutional programs and services. Private institutions particularly benefited from this growing federal support, as it assisted them in maintaining some level of fiscal competitiveness with the public sector. However, the private sector was often poorly represented at the national and state policy level. In 1976 this growing need for voice in the policy arena led to the birth of the National Association of Independent Colleges and Universities (NAICU) and numerous similar associations at the state level, such as the Association of Independent Colleges and Universities of Ohio (AICUO), whose role was to advance topics and issues important to private higher education in both the policy and public-opinion arenas (Breneman & Finn, 1978).

Breneman and Finn (1978) and Berdahl (1978) identify additional key issues during this same time period that helped to sharpen state focus on private higher education, including the increasing costs of education, rapid enrollment growth in the private sector, direct competition for students by the public sector, federal legislation requiring public-private coordination, and the movement toward statewide planning of higher education in most states.

The 1970s, 1980s, and 1990s also witnessed advancing encroachment of federal policy on public and private higher education. Title IX of the Higher Education Act (1972), the 1974 Family Educational Rights and Privacy Act (FERPA), amendments to Title VI of the Higher Education Act regarding federal student aid, and the Americans with Disabilities Act of 1990, serve as significant examples of federal policy which encroached on the autonomy and independence of private higher education. These laws required public and private institutions that receive federal funding to abide by the provisions set forth in the legislation and serve as important examples of the federal government's interest in treating private and public postsecondary institutions similarly. The continuation of the federal practice of providing occasional or limited distinction between private and public institutions served to put more pressure on the state. States had to fall in line with federal positions or create more clear distinctions between these two sectors of higher education. As will be further discussed, states seemed to pursue the latter option more readily, at times to the point of disregarding private higher education except where federally required.

Changes in the nationally political leadership during the 1980s and 1990s, however, brought a significant shift in the federal government's role in the provision of

higher education. Parsons and St. John (2004) noted that in the early 1980s conservative political leadership began challenging the productivity of higher education and the effectiveness of federal student aid programs. Mumper (1996) stated that from 1980 onward the responsibility for maintaining and ensuring access to higher education was increasingly viewed as a state issue rather than a federal issue. In fact, it was not until after 1980 that states and higher education institutions felt pressured to address issues such as affordability as a result of declining federal support (Mumper, 1996). More specifically, Parsons (1997) reported that the 97th Congress of the United States enacted substantial fiscal cuts to programs such as the Pell Grant and the National Direct Student Loan program. Furthermore, Stanfield (1982) highlighted the Reagan administration's stance on reducing federal involvement in higher education when he quoted the Assistant Secretary of Education for Legislation and Public Affairs as saying "that education is predominately a state and local matter, and that the postsecondary student should be responsible for financing higher education to the maximum extent possible" (p. 1261).

Increasing student enrollment in postsecondary education had put a great deal of strain on the federal budget and legislative efforts began turning away from grants to loans. Student loans were expected to be repaid whereas grants were not. This distinction allowed the Treasury Department to account for student loan dollars in a way that reduced their influence on the federal government's annual operating budget because of projected student re-payment (Parsons, 1997). Specifically, in the 1990s state aid practices shifted away from need-based criteria to merit-based, and federal funding of programs such as the Pell Grant, SEOG, and SSIG experienced flat growth or reductions in funding while the PLUS and GSL programs experienced cap increases (Reindl, 1999).

The rising costs of education coupled with decreasing federal support and increasing social service expenses forced states to re-evaluate their fiscal support to all of higher education, particularly private higher education (Callan & Finney, 1997; Mumper, 1996). Despite the growing recognition by the general public that a collegiate degree was “vital to meeting many of society’s needs” (NAICU, 1994, p. 1), state aid programs to the private sector saw little, if any growth, and in many cases actually declined. Whalen (1992) provides specific evidence of this fiscal turn of events when he noted that state governments appropriated approximately \$80 million less in 1991 than the previous fiscal year, the first time in 33 years such a drop was recorded in combined state funding.

This fiscal belt-tightening was the theme for much of the late 1980s and 1990s and continued during the 1998 reauthorization of the Higher Education Act, which saw limited growth in federal funding for most programs. This trend resulted in reduced access to higher education for the neediest students and greater debt burden for those in both the lower and middle classes who chose to attend college in the private sector. Continuing today, this trend of reduced or inadequate fiscal support remains a significant challenge for private, not for profit, higher education. Furthermore, the trend of fiscal belt tightening presents a significant challenge to the various state higher education governance systems put in place to provide oversight, planning, and coordination of all postsecondary education.

This historical overview highlights the dramatic change of course which began to take shape in the early 1980s. The world of U.S. higher education prior to 1981 and the Reagan administration was very different than that which developed as a result of the changes in Washington. However, while this overview illuminates important federal

legislative action and judicial decisions that have helped shape contemporary private higher education and supports my decision to limit my case study to the years from 1980 to 2006, this review only provides limited insight into the source, breadth, and depth of the authority and responsibility resting with the state for the delivery of higher education. Therefore, further exploration is called for to reveal the scope of the state's authority as it relates to Berdahl's (1971) concept of "necessary interference" in the private sector, the manner in which this authority is enacted through various governance structures, policy designs and implementation, and what responsibility to the public the state holds for the effective and appropriate provision of private higher education. It remains important to note, however, that the higher education policy arena at the state level, including those parts focused on oversight of the private higher education sector, has developed specifically because of and in conjunction with federal policy-making. Finally, the number, diversity, and enrollment strength of Ohio's higher education institutions, particularly private institutions, suggests that Ohio has found ways of working with the changes and challenges presented by the federal government. Therefore, my study explored Ohio's higher-education policy history with an understanding of how policies affected Ohio's impact on private higher education.

State Involvement in Higher Education

Kaplin (1995) comments that the "states have the greatest reservoir of legal authority over postsecondary education" (p. 671). In fact, the Tenth Amendment to the Constitution of the United States notes that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people" (U.S. Const. Amend. X). Since education is not reserved

for the federal government, this directs all authority for the provision of education to the states. Given this authority, the states have a clear legal base and a substantial public responsibility for involvement in all levels of education, including private postsecondary. However, as Berdahl (1971) states, “the problem is to determine which interferences by the state constitute *necessary* safeguards of the public interest, which constitute *marginal* safeguards of the public interest, and which constitute actual threats to the essential ingredients of autonomy” (p. 10). In other words, the question is to determine what type of involvement by a government is necessary to protect the public interest and which type of involvements directly endanger the autonomy of higher education in a state.

Berdahl presents an early discussion focusing on state government relationships with, and oversights of, private higher education institutions. In 1971 questions about such oversight were in their early stages and when coupled with the ongoing movement by states toward the development of coordinated governance systems for the public sector, provide important historical windows from which to view the forward progress of the state toward private higher education. The importance of attending to the growing gap between public and private higher education tuition rates and corresponding state fiscal support is highlighted by Berdahl’s comment that “you cannot give away on one corner what you are trying to sell at near-cost further down the block” (p. 203). He argues that “the value to society of strong private institutions of higher learning is clear and great . . . [and] any deterioration in the established quality of these private institutions – whether in terms of faculty, curriculum, academic standards or physical plant – would be harmful not only to the institutions themselves but also to the public good ” (p. 205). Furthermore, he suggested that states consider distributing financial aid directly to the student in place

of providing aid to the respective institution as a means of ensuring greater flexibility of funding use and building greater state support to the private sector. He also raised important questions about the state's interaction with private church-related institutions, the importance and variety of state aid programs, and the issue of balancing institutional accountability to the state with institutional autonomy. Each of these issues remains equally valid today.

Breneman and Finn (1978) present a more comprehensive discussion of the challenges facing private higher education prior to the 1980s. The authors noted that anticipated trends in higher education enrollment, social attitudes, and ever increasing costs associated with higher education presented a significant set of challenges to the future of the private higher education sector. They expressed concern that many students and families might be forced out of the option of a private college experience as a result. The authors argued that state policies making private colleges financially more like publics, or vice versa, and coordinated federal and state policies were crucial to preserving a strong, balanced system of higher education in the United States. However, they also noted that "state policies toward private higher education are inherently awkward, often ambivalent, and frequently unclear", and that "states must simultaneously assume the roles of regulator, licensing agent, and central planner for their respective postsecondary systems that embody both public and private elements" (pp. 44-45). Breneman and Finn further suggested that four mid-20th century developments refocused states on the challenges facing private higher education during the 1970s. These issues still merit discussion, as their impact on the private sector of higher education continues and the state's responses to them are ongoing.

First, Breneman and Finn (1978) argue that the rapidly rising costs of delivering higher education led many private institutions to seek additional revenue sources for which the state presented a logical solution. Second, higher education's shift toward a mass education system and access-oriented state policies, including state entry into the student aid arena, meant state dollars for public and private institutions alike. Third, as public higher education expanded, competition for students also increased, resulting in private sector pleas to state governments to curb the growing public sector. Finally, a general movement toward statewide planning and coordination of higher education was often inclusive, even if only limitedly, of the private sector. Concurrent to this increased coordination effort, private institutions in many states began forming statewide associations to lobby state governments to keep some focus on issues facing the private sector. By the early part of 1976, 42 states had established programs providing direct and/or indirect aid to their respective private higher education sectors. The authors caution, however, that "one of the ironies of the dual system of control in higher education is that the private sector has been forced...to request public aid; and yet, if the private sector succeeds too well in the quest, it may cease to be private, independent, and unique" (p. 52). The irony of this balancing act can be seen in today's public institutions, in which there is some movement to re-name the public sector from "state" institutions to "state-supported" institutions to reflect declining fiscal support being received from the home state.

Further highlighting the difficulty of the "go-it-alone" financial strategy by private institutions with respect to the acceptance of federal or state dollars, out of over 1,743 private, 4-year colleges and universities nationwide (Carnegie Classification,

2005), only a few have chosen the more difficult path of complete independence from the state and federal government. Hillsdale College in Michigan and Bob Jones University in South Carolina stand as two private higher education institutions that have foresworn fiscal support from both state and federal government agencies so as to unambiguously protect their independence and discriminatory enrollment practices (Hillsdale College History, 2007; History of Bob Jones University, 2007). These institutions chose to pursue the creation of educational communities completely independent from government to protect from any form of state or federal interference on the values and philosophies by which they provide postsecondary education. As is clear from such a small number of truly independent private institutions, the vast majority of the private higher education sector has chosen to maintain close affiliations with the state and federal government.

Ohio's private higher education community consists of a diverse array of institutions exhibiting a rich history and significant contributions to the state's annual enrollment and graduation rates. However, the place of private higher education in Ohio has not been without challenges resulting from private higher education's relationship with the state government and policy-makers. Further exploration of Ohio's private higher education sector requires consideration of this relationship with the state, the extent to which Ohio has deemed it necessary, as described by Berdahl (1971), to interfere with private higher education as demonstrated through state statute, public higher education tuition levels, and fiscal support to private institutions, and their enrolled students. These issues were addressed as part of this research.

Extending the concept of necessary interference further, it becomes important to explore how states such as Ohio have codified the higher education governance structure.

Seidman (1980) noted that political structures, such as state higher education governance structures, determine power and organizational structures and are instruments of politics, position, and power (1980). Bowen et al. (1997), Hines (1988), and Mingle (1999) further suggest that state character and history affect a state's choice of governance structures, and that different structures influence the performance of higher education systems within a given state. Therefore, a limited historical exploration of state coordination and governance structures is an important component in understanding the relationship between a state and its private higher education institutions.

State Coordination and Governance Structures

During the later half of the 20th century federal higher education policy evolved such that state governments were all but required to establish governing agencies and comprehensive policy agendas for higher education (Hines, 1988; Mingle, 1999). McGuinness (1999) reports that by 1972, and in response to the dramatic expansion of college enrollments during the 1950's and 1960's, 47 states had established coordinating governing bodies responsible for the oversight of higher education. Furthermore, the 1972 Higher Education Act reauthorization (HEA) expanded federal financial aid programs for higher education, including the development of the State Student Incentive Grant (SSIG) and the Graduated Student Loan (GSL) programs, which required significant oversight by some agency on behalf of the federal government to ensure appropriate use of federal dollars. The "agency" identified to fulfill this role was the state, and the federal government tied the continued funding of these programs to the state's ability to establish mechanisms ensuring effective and efficient use of federally provided resources. The primary challenge facing states was, and in many ways continues to be,

the requirement to oversee these programs and funds by creating or identifying a state body with broad and equitable representation of the general public and of public, private, and proprietary postsecondary education institutions (McGuinness, 1999). This mandate created a tricky legislative tightrope for the states to walk, yet relatively successful designs for these structures evolved.

The collective and ongoing impact of changing federal legislation, increased federal dollars toward higher education in the states, and growing student enrollments, particularly in state institutions, required states to aggressively determine, set, and follow increasingly specific policy agendas in this arena. These policy agendas and corresponding state governance structures generally focus on the regulation, funding, planning, and coordination of postsecondary education, with particular emphasis on the state university system. This is not to say that state governments ignored private higher education; however, despite legal authority to do more, states often chose to provide less regulatory oversight to private higher education.

Today in most states the various institutional types have been brought together under more or less loosely governed systems of higher education. These systems provide some uniform coordination of federal programs and a central collection point for federally required data on student enrollment in public and private higher education, thus allowing for continued federal fiscal support (Bowen et al, 1997; McGuinness, 1999; Mingle, 1999; Richardson, et. al, 1999). Hearn et al. (1996) also demonstrated that state higher education governance structures are associated with changes in financial aid and tuition costs despite varying impact across institutional type. Additionally, state governance structures have been shown to affect innovation rates among higher

education systems (Hearn and Griswold, 1994). Zumeta (1992) further noted that changes in board structures also had an impact on private higher education institutions in a given state.

Although recent literature suggests that there is no best way to organize state higher education governance structures, and that the educational quality of a particular system is not specifically related to the autonomy of a given structure, some discussion of prominent classification schemes is merited (Bowen et al, 1997; Hines, 1988; McGuinness, 1999; Mingle, 1999; Richardson et al., 1998; Volkwein, 1986, 1989). McGuinness (1999) and Richardson et al. (1998) offer distinct schemes for understanding the various designs of higher education governance systems. Despite the specific differences of these schemes, it is important to note that each broadly considers “coordination” as a descriptor of the formal and informal measures taken by states to facilitate and manage interconnections between the state and the public and private sectors of higher education (McGuinness, 1999).

McGuinness, expounding upon a generally accepted taxonomy of state higher education governance structures recognized since shortly after World War II, noted that state governance structures have three basic types: (1) consolidated governing boards having primary responsibility for the governance of institutions in the state including allocation of resources, setting tuition and fees, and policy development and implementation; (2) coordinating boards that include a single board with less formal authority than consolidated governing boards; and (3) planning agencies, exhibiting no coordinating or governance authority beyond ensuring good communication and coordinating voluntary interactions and partnerships among the participating institutions.

Generally speaking, coordinating boards include representation from the governor's budget office, student financial aid agencies, institutional licensure agencies, and the federally-required State Postsecondary Review Entity. Additional representation from the community college system and the private postsecondary sector may also be included on these boards (Bowen et al, 1997; McGuinness, 1999; Mingle, 1999; Nicholson-Crotty & Meier, 2003; Richardson et al., 1999;). Furthermore, the influence of legislative and executive branch roles, regional economic and political differences, and state cultures on the private higher education sector cannot be ignored when exploring a given state's higher education governance structure (McGuinness, 1999).

Research describes consolidated governing boards as used most often in small states with more homogenous sets of institutions and relatively few private institutions. These boards primarily focus on role and mission development, budget development and allocation, academic program review, and oversight of enrollment management issues (McGuinness, 1999). For the private sector, these boards have proven to be less effective at recognizing the potential and needs of private postsecondary institutions and often leave it out of statewide planning efforts (Mingle, 1999).

Advisory and regulatory coordinating boards are most often found in states with large systems of similar institutions. Both of these types of boards have significant roles in budgetary and academic program review and tend to place great emphasis on long-range strategic planning for the system as a whole, policy analysis, and consumer advocacy for issues relating to student aid. Advisory boards are limited by their inability to implement planning recommendations because low levels of influence in the legislative process. Furthermore, the low level of legitimacy given to both types of boards

in light of their limited ability to direct or require university action negatively affects their ability to implement their recommendations, particularly in regard to academic programs (McGuinness, 1999; Mingle, 1999). The final group, planning agencies, exist in states with “essentially no coordinating authority delegated to a statutory entity that extends much beyond voluntary planning and convening role and ensuring good communication among institutions and sectors” (McGuinness, p. 130).

Richardson et al. (1999) recognized the historical value of the existing framework but argued that the complexity of contemporary issues facing higher education and state governance of these systems has rendered the existing taxonomy irrelevant. Further, they suggested that the old framework lacked the agility to account for the uniqueness of the state higher education governance structure while also recognizing the unique nature of each state’s policy environment. To address these limitations in the existing taxonomy of state governance structures, Richardson et al. (1999) presented a new scheme which classified state higher education governance structures into one of four categories: (1) federal systems that include those institutional and multi-campus boards in addition to a coordinating board with responsibility for all higher education in a state; (2) unified systems in which there is a single governing board for all degree-granting public institutions; (3) confederated systems identified by the presence of a planning or coordinating agency along with two or more governing boards of multi-campus systems; and (4) confederated institutions that have institutional or multi-campus governance boards without a coordinating or statewide planning agency.

Regardless of the classification, higher education governance structures generally engage in some or all of the following nine functions: (1) planning, (2) policy agenda

setting, (3) policy analysis and problem resolution, (4) mission definition, (5) budget development and allocation, (6) academic program review, (7) student financial assistance and program administration, (8) information, assessment and accountability, and (9) institutional licensure and authorization (Mingle, 1999; McGuiness, 1999). Furthermore, these functions have been utilized to help describe the variations in state governance structures.

However, Bowen et al. (1997) argued that the identification of four primary work processes provided a more effective way of classifying state roles and responsibilities in the governance of higher education. These work processes are broad descriptors of the day-to-day responsibilities and actions of a state government in the governance of higher education. These served as focal points by which Bowen et al. (1997) and Richardson et al. (1999) collected and analyzed data to describe the case of governance structures and policy implications for higher education in a variety of states. These four work processes are: (1) collecting and disseminating information about performance; (2) prescribing the framework for budgeting; (3) allocating responsibilities for monitoring program quality and redundancy; and (4) providing arrangements for encouraging higher educating institutions to collaborate as a collective system of higher education institutions (Bowen et al., 1997). Taken together, the nine functions and work processes provide a key set of indicators used in my research to identify a framework for understanding Ohio's higher education governance system and offered guidance for data collection demonstrating the relationship between this system and Ohio's private higher education.

State “Policy Posture” Toward Private Higher Education

In addition to the overall governance structure of a given state’s higher education system, Zumeta (1992, 1996) proposed that consideration must also be paid to the state’s “policy posture” toward private higher education. Zumeta (1996) founded his argument on the ideas that private institutions’ “capacity as nongovernmental institutions to respond rapidly to changing societal needs and to experiment is clearly of significant value to society” (p. 396), and that it should be less expensive for the state “to meet some part of large new enrollment capacity requirements by directing some students toward private higher education (even at some cost to the state) than to meet all the demand by expanding space in the public sector” (p. 367). Following this argument, Zumeta identified six types of state policies toward private higher education that shed light on a given state’s posture toward the private sector: (1) state student aid funding level; (2) the absence or presence of direct payments to private institutions; (3) public higher education tuition levels; (4) the extent of private sector involvement in state higher education planning; (5) the absence or presence of duplication of private institution programs as a criterion in state review of public institution’s new program proposals; and (6) the extent of state mandates and regulation affecting private colleges and universities collectively. Zumeta further suggested three classifications of state policy postures defined by a state’s policy position in these six areas in an attempt to define how states choose to view their relationship with the private sector: *laissez-faire*, central planning, or market-competitive.

According to Zumeta (1996), states with a *laissez-faire* policy posture toward private higher education are ones in which the private sector is largely ignored by state policy. These states demonstrate a general apathy toward private higher education given

low state institution tuition levels low student aid efforts, limited state contracts with private institutions, very little oversight of state institutions duplicating programs and degrees offered in private institutions, and few state mandates or regulations affecting private colleges and universities.

Central planning states exhibit a variety of contracts and partnerships with the private postsecondary sector, provide private higher education with moderate to extensive involvement in state higher education planning, exhibit moderate to high levels of state mandates and regulations over this sector, and tend to have higher levels of state spending on student aid with moderate or high public institution tuition levels.

Market-competitive states employ market pressures and signals (e.g., portable grant aid to students, lower public tuition subsidies, public information policies) to guide allocation of programs, students, and resources instead of playing a heavier role in the planning, fiscal allocation, and regulatory processes. These states exhibit moderate to high public tuition levels, as well as high state student aid efforts, little oversight of state institution duplication of private sector programs and degrees, limited involvement by the private sector in state higher education planning, and few mandates or regulations directly affecting the private higher education environment. Zumeta (1996) suggests that the market competitive policy posture is the most desirable results of the three policy postures. Market-competitive states demonstrate “strong private sector enrollment growth and a high overall participation rate in higher education, average levels of spending on public sector students, and average spending on higher education overall, all achieved with below average tax effort and only slightly above average wealth” (p. 388).

Although not specifically considering private higher education or a given state's policy posture toward this sector, Richardson et al. (1999) also explored the impact of the market on a given state's system of higher education. According to them, the market is "the broad array of interests and influences that are external to the formal structures of both state government and higher education" (p. 12). Included within the Richardson et al. definition of the market contained economic influences, such as student demand, cost, price, consumer satisfaction and competitive pressure that affected the market, and non-economic forces, such as current state demographics and future projections, political confidence, public perception of higher education in a given state, and the availability and impact of new technologies. In addition to these market forces were the responses employed by the state to balance their impact on the state system of higher education. Examples of these responses include the promotion of specific campuses or programs, the establishment of regulations, and the encouragement of competition between institutions (Bowen et al., 1997; Richardson et al., 1998, 1999).

The work of Bowen et al. (1997), McGuinness (1999), Richardson et al. (1998, 1999), and Zumeta (1992, 1996) provided important schemes for my research on private higher education in Ohio. Richardson et al. and Zumeta argue that states must strike a balance between market orientation and institution-oriented governance structures and policy postures. Furthermore, both suggest that those states most adept at striking this balance offer the most attractive combination of policy outcomes for the state, the consumers of higher education in the state, and the institutions. When taken together, their work suggests that state governance structures influence private higher education by focusing on how this sector develops and operates in a given state. Bowen et al.'s (1997)

new taxonomy of state governance structures coupled with Zumeta's scheme for determining a state's policy posture toward private higher education became key components of my research.

Necessary State Interference

Having considered the various state higher education governance structures, the tasks and responsibilities assigned to these structures, and the general impact of the market on the policy posture of a state toward the private sector, the next step in establishing the scope of Berdahl's (1978) "necessary interference" called for the consideration of court-supported regulatory actions that affect state involvement in the private sector. There are three boundary markers of significant note which are discussed: the manner by which states legally recognize private institutions, the system of taxation and benefits provided to the private sector, and the type and extent of financial aid support given to privately-enrolled students by the state. Where possible, the state of Ohio Constitution, the Ohio Revised Code (2006), and the Ohio Administrative Code (2006) are used to provide specific examples of each of the aforementioned coordination practices.

Recognition

States have legally recognized and regulated private postsecondary institutions either through the granting of a charter or articles of incorporation, or through a licensure process. This requirement of official recognition allows for the state to exert some level of control over the types and quality of institutions operating in the state, and of these two licensure serves as a more substantial regulation option. Ohio employs an incorporation process that heavily relies on the regional accreditation process facilitated by the Higher

Learning Commission and closely ties state recognition of institutions to their successful completion of the 10 year renewal process. Specifically, Ohio's Revised Code, Title XXXIII, Chapter 3333.046 (2006), states:

Any institution authorized to grant on the effective date of this section baccalaureate or master's degrees, for which the board of regents has issued certificates of authorization under Chapter 1713 of the Revised Code; that is accredited by the appropriate regional and, when appropriate, professional accrediting associations within whose jurisdiction it falls; and that is operated by a for-profit corporation shall cease to be subject to any regulation under Chapter 3332 of the Revised Code but shall continue to be subject to the provisions for approval of degree programs set forth in Chapter 1713 of the Revised Code, including approval of any additional associate, baccalaureate, or master's degree programs offered by the institution.

Furthermore, Title XXXIII, Chapter XVII 1713.02.C (2006), of the Ohio Revised Code states that:

No nonprofit institution or corporation of the type described in division (A) of section 1713.01 of the Revised Code that is established after October 13, 1967, may confer degrees, diplomas, or other written evidences of proficiency or achievement, until it has received a certificate of authorization issued by the Ohio board of regents, nor shall any such institution or corporation identify itself as a "college" or "university" unless it has received a certificate of authorization from the board.

These various statute sections provide some illustration of how Ohio has chosen to recognize and coordinate oversight to ensure the provision of quality and consistency of private postsecondary educational sectors. Furthermore, these sections provide a general insight into how Ohio has chosen to become involved with or take on responsibility for oversight of individual private institutions and the sector as a whole. More specifically, these statutes highlight Ohio's interest in using accountability measurements, specifically regional accreditation, to ensure acceptable operations of private institutions.

Tax Policy

State taxation policies provide a second mechanism by which the state can exert oversight and control (Berdahl, 1978; Hines, 1988; Sunley, 1978). Private institutions, their property, and activities, are usually assumed to be subject to taxation by the state unless there is constitutional or statutory exemption from such taxes. As Hines (1998) notes, the potential tax burden for the private sector in 1973-74 would have been over \$200 million without specific tax policies in place at the state level benefiting private higher education. Clearly this number would be significantly higher today. States choosing to provide exemption for state property tax create an important subsidy program for private postsecondary institutions, which is often overlooked by the general public. The 2006 Ohio Revised Code, Title LVII 5709.07 (C), states that:

if the requirements specified in divisions (A)(4)(a) to (c) of this section are satisfied [delineating tax exemption for public college and university property], the buildings and lands with respect to which exemption is claimed under division (A)(4) of this section shall be deemed to be used with reasonable certainty in furthering or carrying out the necessary objects and purposes of a state university.

The fiscal resources which private institutions are able to reallocate in light of the property tax exemption result in increased institutional funding available to assist the most financially needy students, maintain better facilities, and build stronger academic programs without the cost of such initiatives and resources being passed onto the student.

Student Aid

Private institutions nationwide are often the recipient of this third form of state support and regulatory control. By far the federal government has become the largest supporter of private postsecondary institutions through Pell Grants, the GSL and PLUS programs, and Federal Work Study programs. Not to be left out, states have also

employed a variety of financial assistance programs to encourage students to attend a college or university within the home state regardless of its private or public nature. That said, within the private sector of higher education, it is financial aid to the student that serves as the primary way in which states channel funds to individual institutions. In fact, “the state policies most important to private colleges and universities as a group are in the area of student aid (state scholarships, grants, etc.), program design, and funding” (Zumeta, 1996, p. 372). For example, in the biannual fiscal cycle of 2004-2005, the state of Ohio allocated approximately 10.3 percent, or \$2.45 billion, of its General Revenue Funds to the support of higher education through the Board of Regents. Approximately \$194.9 million, just over 7.9 percent of state postsecondary appropriations, was directed to private institution-eligible student aid.

Ohio has created and maintains a variety of fiscal assistance programs for resident students pursuing postsecondary education. Foremost among these programs are the Ohio Instructional Grant (Title XXXIII, 3333.12) and the Ohio Student Choice Grant (Title XXXIII, 3333.27). Both of these programs provide direct money to the student, which are often used to supplement federal loans and grants in order to meet university costs. Additionally, Ohio utilizes merit-based scholarship and grant programs, such as the Ohio Academic Scholarship Program (Title XXXIII, 3333.21), to provide additional assistance to academically qualifying students. Each program is designed to assist with access to higher education by helping reduce the cost of education while simultaneously expanding access for those of limited fiscal resources.

Research suggests that state recognition (Richardson et al., 1999; Thompson & Zumeta, 2001; Zumeta, 1996), tax policies (Callan & Finney, 1997; Hines, 1988;

Honeyman, 1996; Zumeta, 1996), and student aid policies (Astin & Inouye, 1988; Callan & Finney, 1997; Hines, 1988; Thompson & Zumeta, 2001; Zumeta, 1996) provide detailed insights into a state's intentions toward higher education. These key legal aspects of the higher education environment can further illuminate a state's policy posture toward the private sector as suggested by Thompson & Zumeta (2001). Moreover, these policy issues serve as the final components requiring consideration as part of my account of Ohio's relationship to its private institutions. With this in mind, and considering the breadth and depth of information to be reviewed for my account of Ohio's private higher education, these issues are presented in a case study format that for the first time provides a comprehensive account of Ohio's relationship to its private, non-profit, degree-granting institutions from 1980 to 2006.

Support for Use of Case Study Methodology

Previous studies on state policy and higher education have explored specific types of state governance structures (Bowen et al., 1997; Callan, Doyle, & Finney, 2001; McGuiness, 1999, 2002; Richardson et al., 1999; Schick et al., 1992; Wolfram, 1997; Venezia, Callan, Finney, Kirst, & Usdan, 2005) and policies (Astin, 1988; Martinez, 1999; Thompson & Zumeta, 2001; Zumeta, 1996) with varying levels of consideration for the impact each has on the private sector of higher education. Schick et al.'s (1992) study of higher-education governance, including governance in Ohio, gave consideration to higher education and provided limited insight regarding specific state higher education policy environments. Hines (1999), noting this limitation in the research, states that "what is needed is an understanding of the history and circumstances in a state, the needs of higher education and state government, and the key actors inside and outside higher

education” (p. 403). Seemingly in response to this call to research, in the late 1990s the National Center for Public Policy in Higher Education (“National Center”) began filling this gap in the research by pursuing more state-specific higher education research utilizing case-study methodology.

Richardson et al. (1998, 1999), with the support of the National Center, has also pursued a wide variety of more state-specific research using case-study methodology. Utilizing case study methodology for the states of Michigan, California, New York, Florida, Georgia, Texas, and Illinois, the authors thoroughly explored the performance of state governance structures in light of each state’s policy environment, system design, and leadership. Furthermore, the National Center in partnership with the Institute for Educational Leadership, conducted additional case-study research in Florida, New York, Georgia, and Oregon (Venezia et al., 2005). The National Center also conducted state case studies of higher education systems in Illinois (2000), Virginia (2006), Utah (2005), and California (2000). Additionally, The National Center created and distributes the bi-annual report *Measuring Up: The National Report Card on Higher Education*. This report on the performance of higher education systems in each of the 50 states presents a wealth of information identified from numerous case studies conducted by the National Center.

Individual state-focused case studies conducted by Richardson et al. (1999) suggest that the performance of individual state higher education systems has two primary influences: the state policy environment and the corresponding role of government in balancing market influences and professional values, and the overall higher education system design. Furthermore, the authors note that when states design

higher education governance systems there are four general sets of decisions made with respect to structure: (1) lines of authority and accountability; (2) defining the major characteristics of work processes such as information collection and dissemination, budgeting, monitoring for program quality and control, and cross-institutional cooperation; (3) overall capacity; and (4) system mission with respect to the various types of institutions within the system. While not specifically addressing the private sector in any of the subject states, Richardson et al.'s (1999) work suggested that research on Ohio's private higher education environment should give consideration to the overall state policy environment and to the extent and manner in which the state has attempted to control market influencers in the delivery of higher education.

Callan and Finney (1997), as part of their case study of higher education's changing landscape with respect to financing, identified 11 issues for policy makers when determining priorities for all of higher education within a given state. Among these were the following: (1) the effect of increased reliance on tuition and other private fiscal resources to fund higher education; (2) changing patterns of finance influence public policy goals of access and economic development; (3) state institution privatization and its impact on state and federal policies toward both private and public higher education; (4) which aspects of higher education should be subject to influence from market forces; and (5) the how innovative financing of higher education will alter the role of state higher education governance systems (pp. 53-55). These questions suggest areas for consideration in my study assessing Ohio's financial relationship with higher education and private higher education.

While each of the previous studies provides quality insights into a given state's higher education environment, they do not provide a specific model for studying private higher education in a specific state. This limitation is directly tied to the scant attention paid to private higher education in each of these studies. Thus, despite the large role played by private higher education in the delivery of postsecondary education, specific state-based case studies of private higher education are practically nonexistent. Furthermore, prior to my study, the development of a thorough picture of Ohio's private higher education and its place within the state's policy environment had yet to be developed despite previous calls for such research (e.g., Zumeta, 1996).

However, despite the limitations of previous cases studies, significant insight and direction were gleaned from them. Previous studies of state impact on private higher education used a macro perspective to consider key policies at the state level and their corresponding impact on the private sector. Astin and Inouye (1988) used national database information in regression analysis exploring state policy impact on private higher education. Zumeta (1996) and Thompson and Zumeta (2001) also used national database information to explore state policy impact. In addition to the previous factors of "necessary interference" employed by states in the coordination and oversight of higher education, previous case studies identified important aspects of a state's higher education governance environment and structure that were addressed in my study.

These studies reinforced the importance of considering the general history and characteristics of both the subject state and its overall higher education environment. These studies also emphasized the need to explore statewide governance structures and the level of inclusiveness of private higher education institutions in statewide planning

(McGuinness, 1999, 2001), as well as the need to explore specific policies regarding state work processes, institutional recognition, taxation, student aid, state institution tuition levels, and their corresponding impact on the private sector (Astin & Inouye, 1988; Richardson et al., 1999; Thompson & Zumeta, 2001; Zumeta, 1996). Finally, while information on Ohio's system is specifically reported in Zumeta (1996) and can be loosely inferred from Astin and Inouye (1988), specific analysis of Ohio's private higher education environment and state policy impact was not conducted. Furthermore, with the exception the research conducted by Schick et al. (1992), existing research on Ohio's higher education environment has been conducted primarily via lobby organizations and state governmental departments or governor-appointed commissions, thus potentially limiting objectivity and impartiality. My study assists in closing this gap in the research on state policy and private higher education by presenting a comprehensive picture of this environment in Ohio.

Summary

Since the middle of the 20th century, state policy and the development of governance structures for higher education has gone through enormous change. This period of time in the history of American higher education witnessed dramatic expansion of student enrollment in light of increased federal and state support and ever growing expectations for greater accountability. Higher education in this era benefited from state structures and policies that generally focused inwardly on the institutions with less focus on market forces and their impact on policy formation. Furthermore, this era was one in which colleges and universities often were shielded from external forces as a result of state policies or governance structures. When necessary, the state found ways to assert

public interest through regulation and centralized structures that coordinated student aid, institutional recognition, and a variety of other policies.

As the 21st century moves forward, it has become more evident that the national and state policy environments for higher education are changing, and that more will be expected of the state, the higher education governance structure, and higher education institutions (McLendon, Hearn, & Deaton, 2006; Mingle, 1999; Parsons, 1997; Richardson et al., 1999; Thompson & Zumeta, 2001; Zumeta, 1996). The combination of these factors serves to further emphasize the importance of understanding the place and role of private higher education in the state. The remaining chapters of this study begin to fill the gap in state specific research on private higher education. The next chapter describes the methods used to identify, collect, and analyze a wide range of data, documents, and interviews that I used to present the case of Ohio's private higher education sector and the impact of state policy on this sector from 1980 and 2006.

CHAPTER III

METHODOLOGY

I used case-study methodology to explain state policy toward private, 4-year degree granting institutions in Ohio between the years 1980 and 2006. My study uses Zumeta's (1996) scheme for identifying the role of the state in the provision of private higher education. The primary research question addressed in this research was: What are the trends in Ohio educational policies incorporating greater governance and financial support of private higher education from 1980 to 2006? Specifically, my research asked:

1. What is the impact of state government on private higher education in Ohio?
2. How have historical factors from 1980 through 2006 influenced the current design of Ohio's higher education governance structure and financial support of the private sector?
3. What is Ohio's policy posture (as defined by Zumeta) toward private postsecondary education?
4. What are the funding mechanisms and policies affecting private higher education in Ohio?
5. To what extent has the private higher education sector been incorporated into statewide planning and implementation of the postsecondary education delivery system in Ohio?

The following sections of this chapter describe the research design, data sources and collection methods, and analytical methods I used to answer these questions.

Research Design

Previous state-specific case studies (discussed in chapter 2), suggested that three general categories of data be collected and analyzed in order to constitute the case of private higher education in Ohio during the period of 1980-2006. These general categories were as follows:

1. State demographics (Astin & Inouye, 1988; Bowen et al, 1997; Richardson et al, 1999; Thompson & Zumeta, 2001; Zumeta, 1992, 1996), which were used to describe population, economic, and general higher education enrollment trends in the subject state;
2. the state political environment and legal structures affecting higher education (Bowen et al., 1997; Hines, 1999; Martinez, 1999; McGuiness, 1999, 2001; Richardson et al., 1999; Thompson & Zumeta, 2001), which describe the political leadership, organizational structure, and work processes of state agencies having direct or indirect influence on Ohio's higher education system and governance structure; and
3. the state policy posture toward private higher education (Zumeta, 1992, 1996, 2004), which includes key policies affecting private higher education and describes the state's relationship to the private higher education sector.

Based on these foundations, the documents and data I collected were sorted into these major categories. I collected these documents and data via the internet including the archives of the Ohio Board of Regents, the Ohio Department of Budget and Management, the Ohio Legislative Service Commission, the National Association of State Scholarship and Grant Programs, the National Center for Education Statistics' Integrated

Postsecondary Data System (IPEDS), the National Center for Public Policy in Higher Education, the State Higher Education Executive Officers, the Association of Independent Colleges and Universities of Ohio, institutional web pages for Ohio's private higher education institutions included in this study, the Ohio Department of Taxation, the U.S. Census Bureau, the Education Commission of the States, and the Chronicle of Higher Education almanac. Robert Burke, the director of research at the Association of Independent Colleges and Universities of Ohio (AICUO), provided me with specific assistance in accessing and using the Peer Analysis System electronic database of the National Center for Education Statistics' Integrated Postsecondary Education Data System.

Case-Study Methodology

My study of Ohio's higher education policy and the private sector of higher education between 1980 and 2006 utilized case-study methodology and document analysis to research and present my findings. Stake (1981), providing support for the use of case-study methodology when researching education, noted that knowledge learned through case-study is different in four ways from strictly quantitative studies: it is more concrete, more contextual, more developed by reader interpretation, and more based on reference populations determined by the reader. The work of Merriam (1988) and Bassey (2004) further supported my choice to use this research technique for my study, since case-study has been particularly useful for studying educational innovations, program evaluation, and informing policy. Moreover, the success in using this methodology for the study of state policy and state governance structures for higher education has been increasingly documented over the past 15 years (Sanchez-Pelany, Martinez, & Nodine,

1997; Richardson et al., 1999; Venezia et al., 2005). Yin (1994) noted that “a case-study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context” (p. 13). Merriam (1988) stated that “the case-study focuses on holistic description and explanation” and that any methods of gathering data can be used in a case-study (pp.28 – 29).

Merriam (1998) also indicated that document analysis “is a systematic procedure for describing the continent of communication” (p. 123). She further noted that, for large-scale research, the reliance on previous studies and previously collected and reported-upon data “may be the only realistic way to conduct the investigation” (p. 115). However, Merriam cautioned that the researcher should understand the general conditions under which data sources were produced and the types of technical and methodological decisions that may have been made for the collection of the data as well as the possible impact of these decisions on how the data is to be used in a different study. In other words, because my research was heavily dependent on previously collected data, it was important that I could verify the authenticity of the documents and data I used as data sources for study.

Bassey (2004) emphasized the importance of trustworthiness in similar studies. He identified eight tests for determining the trustworthiness that included 1) having a prolonged engagement with data sources; 2) maintaining persistent observation of emerging issues; 3) appropriately checking raw data with their sources; 4) having a critical friend thoroughly try to challenge the findings; and 5) providing a sufficiently detailed account of the research to allow the reader to have confidence in the findings. Stake (1995) also stressed the need to verify the authenticity of documents for use in this

type of research. Therefore, I designed my study with these thoughts in mind. More specifically, I looked to the works of Zumeta (1996) and Richardson et al. (1999) to guide my process of data collection and interpretations to limit the influence my own bias on the findings of my study.

Using a case-study method based on previous similar studies in other states, my study presented a discussion of Ohio's private higher education between 1980 and 2006, with specific emphasis on (1) identifying the state higher education governance structure and corresponding work processes which helped define the state's relationship with the private higher education sector; (2) determining the current state of private higher education in Ohio with respect to the historical enrollments, number of colleges, funding levels, and the level of competition or partnership with the public sector of higher education; (3) articulating the prevailing legislative posture toward considering private higher education as a tool in delivering state-wide higher education goals; and (4) identifying those policies and initiatives that appear to have had the greatest effect, whether positive or negative, on the private sector. As supported by Zumeta (1996), Bowen et al. (1997), and Richardson et al. (1999), my research was approached using case-study methodology and document analysis with primary sources of data including federal databases, state government documents, lobby organization documents, private higher education institution reports, print media, as well as interviews with a small selection of Ohio residents involved with private higher education and its governance.

State of Ohio

I chose Ohio as the subject of this study because of its extensive state system of higher education, diversity of institutional types, rich history, and strong private sector.

According to the Carnegie Foundation, over 4,380 postsecondary institutions (both for profit and not-for-profit) enrolled students in the United States during 2004 (Carnegie Foundation for the Advancement of Teaching, 2006). 40% of these institutions were designated as private, not-for-profit. Of these, 118 were located in Ohio and 67 were identified as private, not-for-profit, 4-year degree-granting institutions (Higher Learning Commission, 2007; IPEDS, 2006). Bowen et al. (1997) noted that the states with large and favorably-viewed private higher education sectors tend to have lower per capita costs for students enrolled in the public sector and lower overall expenditures on higher education. For approximately 20 years, Ohio's private higher education institutions have enrolled and graduated increasingly larger numbers of students as well as an increased percentage of those graduating from the state's higher education system (Association of Independent Colleges and Universities of Ohio, 2006; IPEDS, 1980, 1990, 2000, 2006). These increases suggested that the private sector of Ohio's higher education system has been favorably viewed by the public.

I also chose Ohio because of its long history of higher education, throughout which the private sector has played an important role. Ohio's private sector of higher education includes large and small institutions, women's colleges, the oldest private African American university in the United States, religious-sponsored and affiliated institutions, research institutions, medical colleges and universities, and a variety of other independent colleges and universities. This variety of institutional types in Ohio suggested a dynamic, diverse, and vibrant private higher education sector operating alongside nationally recognized public institutions for the delivery of Ohio's higher education. Furthermore, the large number of private institutions in the state suggests that

this sector of higher education has had a substantial impact on the delivery of higher education in Ohio and should be studied in greater depth. Additionally, eroding economic conditions in Ohio from the 1980s through 2006, and their corresponding potential impact on higher education, and specifically private higher education, further suggested the importance of evaluating private higher education's role in the state and how the state used this sector to achieve its higher education goals. Finally, Ohio has often been considered a political and social microcosm of the United States because of the diversity of the state's population, the strength of the industrial and agricultural sectors of the economy, and the balance between rural and urban populations (Hurt, 1988). National elections have also stressed this for some time.

Each of these factors about Ohio and its private higher education sector suggested that the findings of this research might be relevant outside of Ohio's borders to other states. Furthermore, the lack of a comprehensive review of Ohio's private higher education environment in the literature, coupled with consistent recommendations in existing research about the need to conduct specific-state analysis, makes my research important to discussions of higher education state policy. I turn now to my decision to limit my study's time frame to 1980-2006.

Choice of 1980-2006 Time Period

This historical review in the U.S. presented in Chapter 2 highlighted the significant change of course in higher education policy that began to take shape in the early 1980s. Stanfield (1982) noted that this change of course included declining fiscal support from the federal government that resulted in an increasing financial burden on the states and the postsecondary student. Simultaneously, federal policy on public and private

higher education continued to develop and further encroach on higher education's autonomy and independence. Mumper (1996) and Parsons (1997) noted that federal policy changes resulted in pressure on states to address issues such as higher education affordability as a result of declining financial support from the federal government. Therefore, from a national policy perspective, the start of Ronald Reagan's first administration in 1981 serves as a pivot point for higher education and the changing role of state government and an important point from which to evaluate the changing role of state government toward private higher education.

Data Sources and Collection

I collected and analyzed a variety of documents and data sources as part of this study. I began the process for collecting necessary documents and data sources by identifying the three general categories of data necessary for presenting the case of private higher education in Ohio during case-study time period: (a) state demographics, (b) the state political environment and legal structures affecting higher education, and (c) the state policy posture toward private higher education. Within the context of these general categories, I used the Bowen et al. (1997) taxonomy of state higher education governance structures and Zumeta's (1996) scheme for evaluating the policy posture of a state toward private higher education to provide in depth discussion of the remaining categories. Furthermore, in addition to collecting data to support the analysis of the Bowen et al. and Zumeta schemes, I collected documents and data describing Ohio during my case-study time period, with specific attention to (a) the economy of Ohio during the study time period, (b) the political environment at the state level, and (c) the state system of higher education during the study time period.

Ohio Higher Education Work Processes

My primary resource for this case study was the National Center for Education Statistics' (NCES) Integrated Postsecondary Education Data System (IPEDS). Data in this system was accessed using the internet-based NCES Data Cutting Tool of the Peer Analysis System. I used a login-in username and password to access the Institutional Level of the data system, which established access to multiple data sets for Ohio institutions of higher education. As previously noted, over 126 private higher education institutions were operating in Ohio as of 2006 (IPEDS, 2006). However, for the purpose of this study, I established limitations to determine which institutions' data would be collected and analyzed.

Using the IPEDS Data Cutting Tool, I selected institutions in Ohio using these limiting factors: 1) the institution was identified as private, not-for-profit, and 2) the institution was identified as a 4-year, degree-granting institution. These limitations resulted in reducing the number to 74 institutions; however, multiple seminaries were included in this grouping, many of which did not offer traditional baccalaureate degrees yet were still reported by IPEDS as 4-year, degree-granting institutions. Therefore, I incorporated a further limiting factor to establish a more consistent set of institutions. Only those IPEDS-identified private, 4-year, degree-granting, not-for-profit institutions that were also accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools (NCS) were included in the study. Limiting the study to these institutions resulted in a total of 58 institutions as of 1980 and 67 institutions as of 2006 (HLC, 2007). Each of these institutions was also identified by an IPEDS variable named UNITID. I used this identification variable to ensure that data

collected at different times and from different modules within IPEDS were correctly matched to the same institution.

Ohio Demographics, Economy, and Governance

Without fail, previous case studies of state higher education systems attended to the subject state's demographics to establish a general picture of the state environment in which the higher education system exists. This demographic information was inclusive of such information as state resident population, average per capita income, number of higher education institutions, their respective classification (public/private), and so on. Depending on the case study, data sources for this information varied from national sources to state-collected data to that were generated by various policy and lobby organizations. Similarly, my study collected and analyzed a variety of sources to generate an overview of Ohio's demographics, economic environment, and governance leadership and structure between 1980 and 2006.

Ohio Demographic Information

For this study I collected population and economic data to support the description of the state's population and economy during the study time period. More specifically, I collected demographic information to describe changes in Ohio's population in the following categories: (1) population estimates including birth and death rates; (2) racial and ethnic make-up of Ohio's population; (3) immigration and emigration as a component of Ohio's overall population; (4) high school and bachelor degree attainment; and (5) employment and income levels of Ohio residents.

General population estimates for Ohio. I derived the general population estimate of Ohio's population for the study time period from the 1980, 1990, and 2000 decennial

census conducted by the U.S. Census Bureau (1983, 1992, 2002). The Rural Policy Research Institute (2006) provided data about population density in rural compared with urban areas, and the Ohio Department of Vital Statistics (2003) provided data regarding population birth and death rates during the study time period. I also used The Chronicle of Higher Education's annual almanac to provide year specific data between 1995 and 2006 (i.e., 1995, 2000, 2005, 2006).

Racial and ethnic make-up of Ohio's population. I collected racial and ethnic demographic information for Ohio's population from the Ohio Department of Development's (2006) report on Ohio's population as well as data from the 1980, 1990, and 2000 U.S. Census.

Immigration and emigration in Ohio. Ohio immigration and emigration data were collected from the 1980, 1990, and 2000 U.S. Census as well as the Federation for American Immigration Reform (2007), the Center for Family and Demographic Research report on Ohio's foreign born population (2003), the Ohio Urban Affairs Center (2006), Patton's (2006) *Below the Curve: Higher Education in Ohio*, the Governor's Commission on Higher Education and the Economy (CHEE; 2004).

Educational attainment of Ohio citizens. I collected educational attainment data for Ohio's general population from the detailed population characteristic reports from the U.S. Census Bureau (1981a, 1981b, 1983, 1991a, 1991b, 1992, 2002, 2003). I gave particular attention to state high school graduation rates, but prior to the 1990 U.S. Census this data was not specifically collected by the Census Bureau. However, the Census Bureau noted that with respect to the 1980 census data, those with at least 12 years of schooling were high school graduates and those with at least 16 years of

education were college graduates (2003). Therefore, my research used this understanding when comparing U.S. Census Bureau data about high school and college graduate rates in Ohio during the study time period.

Ohio's high school drop out rate was also explored as part of my research. Data was collected from the U.S. Census Bureau, as previously noted. Additionally, the Pell Institute's report on college opportunity (2005) and the National Center for Public Policy and Higher Education's *Measuring Up* reports (2002, 2004, 2006) were used.

Employment and income of Ohio citizens. A further category of data collected and analyzed related to employment patterns and income levels. Data from the U.S. Census Bureau (2007) provided median income information for Ohio residents compared to that of the national population. The Ohio Department of Human and Community Resource Development (2002) and the U.S. Department of Commerce (2007) provided specific information about median family income trends over the study time period. Furthermore, the National Center for Higher Education Management Information Systems (2005) provided national comparative data for Ohio residents, with educational attainment ranging from no high school degree to graduate and professional degree holders.

Major Aspects of Ohio's Economy

I also reviewed the major sectors of the Ohio's economy and general economic trends during the study time period to provide further context to the degree attainment, employment, and income trends for the state. Data to describe Ohio's economy were collected from the Ohio Legislative Service Commission (1998, 2006), the Ohio Department of Development's Office of Strategic Research (Larrick, 2006), and Ohio's Rural Policy Research Institute (2006).

Governance Leadership and Structure

Almost without fail, recent state-specific case studies have provided detailed overviews of the subject state's political environment and the legal structures that influence and often provide oversight of the state's higher education environment (Bowen et al., 1997; Callan & Finney, 1997; Martinez, 1999; Schick et al., 1992; Richardson et al., 1999; Venezia et al., 2005). The consistent inclusion of these overviews emphasized the importance of recognizing and discussing the impact of the legal and political environment in Ohio and what legal structures permitted, guided, or restricted state involvement with private higher education. My research on Ohio's political environment and legal structure was based on previous research identifying Ohio's higher education governance structure (Schick et al., 1992; Thompson & Zumeta, 2001; McGuiness, 2001, 2002). More specifically, this component of my research utilized documents such as the Ohio Constitution, the Ohio Revised Code, the Ohio Administrative Code, the Education Commission of the States Postsecondary Governance Structures Database, *A Guidebook for Ohio Legislators* (Legislative Service Commission, 2006).

Private Higher Education in Ohio

The focus of my study was private higher education in Ohio and, as previously noted, my study included individual institution data for 67 institutions, as of 2006, that were IPEDS-reported, 4-year, degree-granting, not-for-profit institutions of higher education that also were accredited by the Higher Learning Commission. The data I collected for these institutions were classified into the following categories: (1) year founded, affiliation, and accreditation status; (2) enrollment history and student

demographics; (3) tuition history; and (4) budget history, including revenue sources and expenditures. Each of these categories and the process to identify and collect data to support describing this aspect of the case are described in turn.

Institution Founding, Affiliation, and Accreditation

The IPEDS data set provided a substantial amount of the data used to determine founding dates of institutions, religious affiliation, and accreditation status. Numerous variables in the database provided specific information about Ohio's private higher education institutions. I used the IPEDS variable ESTMOYR to identify the founding year of institutions included in the study. In the small number of cases when this information was not available through IPEDS I used the specific institution's web page to gather founding date information. Additionally, I obtained founding date information from the Higher Learning Commission (2007). I used the variable in IPEDS named ICLEVEL to identify those private institutions that were at least 4-year institutions. Additionally, I used the variable in IPEDS named CONTROL to identify private not-for-profit institutions as "a private institution in which the individual(s) or agency in control receives no compensation, other than wages, rent, or other expenses for the assumption of risk. These variables include both independent not-for-profit schools and those affiliated with a religious organization" (IPEDS, 2007). The IPEDS variable named RELAFFL identified the religious affiliation, if any, of private, 4-year degree granting institutions in Ohio during the study time period. Finally, I determined an institution's accreditation status by use of the variables ACCRD2 and REGACCRD which reported the accrediting agency for the specific institution. In each case the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools was identified as the primary

regional accrediting body. Therefore, I used the HLC's *Currently or Recently Affiliated Institutions: Ohio* (2007) to provide the final limiting data point for those institutions included in my study.

Enrollment History and Student Demographics

I used IPEDS to gather data on the enrollment numbers and demographics of Ohio's private higher education undergraduate population during the study time period.

Table 1 lists the IPEDS variables I used to collect institution-specific demographics.

Table 1

IPEDS Enrollment Demographic Variables

Variable	Definition
EFRACE24	Total number of undergraduate students
EFRACE15	Total number of men students
EFRACE16	Total number of women students
EFRACE17	Total number of resident alien students
EFRACE18	Total number of Black students
EFRACE 19	Total number of American Indian students
EFRACE 20	Total number of Asian students
EFRACE 21	Total number of Hispanic students
EFRACE 22	Total number of White students

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006).

I collected institutional data for the academic years of 1980-81, 1984-85, 1988-89, 1992-93, 1996-97, 2000-01, and 2004-05. The IPEDS variable EFALEVEL was selected to pull enrollment and demographic information of undergraduate students. Once this

information was collected for each institution and each academic year, I divided the raw numbers against the total undergraduate enrollment of the institution to generate the percent of the total enrollment each demographic group represented. I also totaled the raw enrollment numbers across all private institutions in order to identify total private higher education undergraduate enrollment and the demographic percentages within this total.

Tuition History of Private Higher Education

Tuition data was also collected using IPEDS. The specific variables I used to collect this information changed over the course of the study; however, I only reported the variable for undergraduate tuition for the given year. I collected tuition data for the 1980-81 and 1984-85 academic years using the IPEDS variable PRTFU. For academic years 1988-89, 2000-01, 2004-05, and 2006-07 I used the IPEDS variable TUITION2.

As with PRTFU, this variable reported undergraduate tuition, but, general fees assessed to undergraduate students were also included in this category. For the academic years 1992-93 and 1996-97, I used the IPEDS variable TUITION1 and as with TUITION2 this variable included general fees. IPEDS did not provide clarifying information regarding the PRTFU variable with respect to the inclusion of general fees and, therefore, it was difficult to verify if longitudinal comparison of this data was appropriately conducted. In addition to collecting the institution-specific tuition history, calculations were conducted to determine the average undergraduate tuition among the included private institutions.

The average was calculated by summing the individual tuition values reported by each institution for the given year and then dividing the total by the number of institutions. Additionally, calculations were conducted to determine the percentage of

change over time in private higher education tuition. This value was determined by taking the tuition level reported in 2006 and subtracting the tuition level reported in 1980. The resulting value was then divided by the 1980 tuition level and multiplied by 100 to determine the percentage change over time.

Budget History

Private higher education budget data was available through IPEDS beginning with the 1988-89 academic year. Institutional budget information prior to this academic year was only available through direct contact with each institution and was not pursued.

Table 2 lists IPEDS variables I used to collect institutional revenue data.

Table 2

IPEDS Budget Revenue Variables

Variable	Definition
F[year]_a_a013	Total tuition and fees collected
F[year]_a_a023	Total Federal appropriations
F[year]_e_e013	Total Pell Grant dollars
F[year]_a_a063	Total Federal grants and contracts
F[year]_a_a043	Total state appropriations
F[year]_a_a073	Total state grants and contracts
F[year]_b_b223	Total expenditures and transfers
F[year]_a_a103	Total endowment

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006).

Budget information, including revenue and expenditure specific data was collected for every two years, beginning in 1988 up to and including 2006. Table 3 lists the IPEDS variables I used to collect expenditure data for each institution.

Table 3

IPEDS Budget Expenditure Variables

Variable	Definition
F[year]_b_b013	Total expenditures on student instruction
F[year]_b_b023	Total research expenditures
F[year]_b_b033	Total expenditures on public services
F[year]_b_b043	Total expenditures on academic support
F[year]_b_b063	Total expenditures on student services
F[year]_b_b073	Total expenditures on institutional support
F[year]_b_b083	Total expenditures on physical plant
F[year]_b_b093	Total expenditures on scholarships and fellowships
F[year]_b_b133	Total auxiliary spending
F[year]_b_b234	Total expenditures on salaries and wages

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006).

Tax exemptions and institutional expenditures. In addition to revenues and expenditures, I also collected data to describe the tax exempt benefit provided by the state to private higher education. Section 501 (c)(3) of the Internal Revenue Code (2007) and the Ohio Revised Code (2006) established the legal foundation for this benefit. In Ohio the property tax rate is established by each county and school district. Therefore, IPEDS data for private institutions in Ohio's three most populated counties was collected, as was

property tax data for the school districts in each county. Cuyahoga County included 31 school districts and 10 private higher education institutions. Franklin County included 16 school districts and eight higher education institutions. Hamilton County included 22 school districts and 10 private higher education institutions. Five classifications of property tax rates were collected for these counties: 1) class one real property, 2) class two real property, 3) utility tangible property, 4) business tangible property, and 5) total property (Sobul, 2003). Each category was totaled and then divided by the number of school districts in the county to estimate the average property tax of the county.

IPEDS data regarding land, building, and equipment owned by each institution was collected for the 28 institutions in Cuyahoga, Franklin, and Hamilton counties. Table 4 lists the IPEDS variables I used to collect this information.

Table 4

IPEDS Variables for Land, Buildings, and Equipment

Variable	Definition
F[year]_k_k014	End of year book value of institutional land
F[year]_k_k024	End of year book value of institutional buildings
F[year]_k_k025	Replacement value of institutional buildings
F[year]_k_k034	End of year book value of institutional equipment
F[year]_k_k035	Replacement value of institutional equipment

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006).

The estimated tax savings for these institutions was calculated by adding together the combined end of year book value of land and buildings owned by the institution and multiplying the resulting value by Ohio's tax assessment rate of 35% (Sobul, 2003). The

resulting value was then multiplied by the respective counties average property tax, which generated the final estimated tax savings for each institution.

Higher Education Governance and Work Processes

The taxonomy presented by Bowen et al. (1997) identified four primary work processes of the state's higher education governance structure that have influence on the higher education environment, depending on how these daily responsibilities are pursued. Therefore, to describe the work processes, I found it necessary to describe Ohio's higher education governance structure in which these work processes occurred. Schick et al. (1992), McGuinness (2002), and the Ohio Board of Regents (September, 2003) described Ohio's higher education governance structure as a coordinating system. Title XXXIII, Chapter 3333, of the Ohio Revised Code (2006) and Chapter 3333 of the Ohio Administrative Code served as the primary resources supporting the coordinating structure description and provided statutory articulation of the structure and operations of the Ohio Board of Regents.

Each aspect of Bowen's taxonomy is described as follows: (1) system information management about state system and public institution performance; (2) higher education budget process for the system and institutions; (3) system and program oversight to monitor program quality and redundancy; and (4) system and institutional collaboration.

System Information Management

I used three primary resources to discuss the Ohio Board of Regent's role with respect to data collection, management and reporting on Ohio's higher education system: the Ohio Revised Code (2006), the Ohio Board of Regents Higher Education Information System (HEI), and primary documents and data base resources of the Ohio Board of

Regents. Title 33, chapter 3333.04.1, of Ohio Revised Code (2006) provided the specific statutory grounds for the Board of Regents to require higher education institutions to submit a variety of data to the state. Additionally, I located communications from former Governor Robert Taft in the on-line archives of the Board of Regents (Taft, 1999). These communications specifically directed the Board of Regents to collect data toward the end of creating and to disseminate an annual report on higher education in Ohio. However, as early as 1966 the Ohio Board of Regents began centrally collecting and publishing information on Ohio's public higher education institutions via the Regents' Uniform Information System. This system was changed in 1998 to the Higher Education Information system. Together, the Uniform Information System and Higher Education Information system served as the primary sources for data collected by and reported on by the Board of Regents.

The specific reports I used in this research demonstrating the Board of Regents information dissemination role included the following: (1) annual Student Inventory Data reports (1980-1998); (2) *Managing for the Future* (1992); (3) *The Challenge is Change: Ohio's Master Plan for Higher Education* (1996); (4) *Performance Reports* (2001-2006); (5) *The Issue* (2002-2006) a monthly publication of the Board of Regents for members of the Ohio General Assembly about higher education topics and issues; (6) Horton and Johnson's (2003) description of the Higher Education Information system; (7) *Building on Knowledge, Investing in People, a Report on Higher Education and the Future of Ohio's Economy* (2004); (8) the Board of Regents Policymaker's Guide to Higher Education (2004d); and (9) the Board of Regents Higher Education Fact Book (2005).

Higher Education Budget Process

Discussion of Ohio's higher education budget process also implied a need to contextualize this process within the overall budget process for the state. The basic framework for Ohio's budgeting process was established in the Ohio Constitution Articles II, VIII, and XII and discussed in detail in the Ohio Revised Code chapters 1107 and 3333. The Legislative Service Commission (2007) and Ohio Board of Regents (2004d) also provided helpful and detailed overviews of the general budget process and, more specifically, the higher education budget process. Resources utilized to analyze and discuss the Ohio higher education budget process included; (1) the Legislative Service Commission *Catalog of Budget Lines* (1999, 2003, 2005); (2) the Legislative Service Commission state revenue and expenditure history from 1975 – 2007 (2007b, 2007c); (3) the *Board of Regents Policymaker's Guide to Higher Education* (2004); (4) *The Issue* (2002b, 2002c); (5) the State Higher Education Executive Officers' annual report on *State Higher Education Finance* (2006); and (6) the Ohio Department of Budget and Management reports (2007).

System and Program Oversight

The Ohio Revised Code chapters 1702 and 1713 and the Ohio Administrative Code chapter 3333 described the authority of the Board of Regents with respect to the authorization of new institutions and programs. In addition to these statutory resources, the governance and oversight role of the Board of Regents was demonstrated in reports from the Ohio Board of Regents (1992a; 1996; 2002; 2003; 2004d).

System and Institutional Collaboration

In the late 1980s Ohio established a framework for statewide system and institutional collaboration via articulation agreements and credit transfer policies. The Board of Regents' Articulation and Transfer Advisory Counsel (2008) served as my primary resource for describing this process. Additionally, the Ohio Revised Code chapter 3333.162 (2006) provided statutory guidance regarding the Board of Regents role in coordinating the transferring of credits between institutions.

Ohio Policy Posture Toward Private Higher Education

As previously noted, Zumeta (1996) identified six state policies which he argued were key indicators for determining a state's policy posture toward private higher education. Zumeta noted the importance of three data sources he utilized, including; (1) a national survey conducted by him on state policies affecting private colleges and universities, which he conducted for the Education Commission of the States Task Force on State Policy and Independent Higher Education; (2) the National Association of State Scholarship and Grant Programs (NASSGAP) survey on state student aid funding; and (3) a 1988 unpublished survey by the State Higher Education Executive Officers (SHEEO) on tuition policy. NASSGAP survey data and limited SHEEO was used in my study; however, Zumeta's national survey was not utilized. In addition to these sources, this study used the following resources to describe Ohio's policy position

State Student Aid Funding Level or Effort

Data for the state student aid funding level was collected from a variety of sources. The Integrated Postsecondary Education Data System (IPEDS) provided one set of data for analysis. Specifically, data for total state grants and contracts was collected for

the years 1988, 1990, 1992, 1994, 1996, 1998, 2000, and 2004. Prior to 1988, and for 2002, data were not reported by private institutions in Ohio. This particular data set identified all state contracts with private higher education institutions, including

all revenues from state agencies that [were] for specific undertakings such as research projects, training projects, and similar activities, including contributions from federal agencies. [This included] state grants for student aid when they [were] treated as student aid expenses when awarded to the student. (IPEDS, 2008)

However, if state grants directed toward student aid were treated as agency transactions by the institutions, they were not included in this category. In other words, I did not include state grant appropriations to a private institution in this category if the state appropriated the money for a specific training or research program that directly benefited or assisted a state agency. This created a particular problem because it often excluded important data about state grant aid dollars appropriated to private institutions. I used a combination of two additional data sources to fill this gap: the National Association of State Scholarships and Grant Programs (NASSGAP) annual survey reports and the Ohio Board of Regents annual *Summary of Expenditures by Institution* report.

I obtained the *NASSGAP Annual Survey Reports* for the years 1980, 1982, 1984, 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004, and 2006 from the NASSGAP web page. However, the data was not consistently presented prior to 1988 and, therefore, for the purpose of my research, I limited the collection and analysis of NASSGAP data to the following categories reported from 1988 through 2006: (1) need-based aid per resident; (2) grant aid per resident; (3) need-based aid per undergraduate; (4) grant aid per undergraduate; and (5) total state grants as a percentage of appropriations of state tax funds. Furthermore, data for the Ohio Choice Grant, the

primary grant aid awarded by Ohio to undergraduates in private higher education institutions, was available in the NASSGAP annual reports for the years 1984, 1988, and 1992. After 1992 this data was not reported by NASSGAP in a manner that isolated funding for the Choice Grant.

Due to limitations with the NASSGAP reports, I collected additional data sources from the Ohio Board of Regents and the Ohio Department of Budget and Management. More specifically, the Ohio Department of Budget and Management's *Detailed Appropriation Summary by Fund* (1995, 1996, 1998, 2000, 2002, 2004, 2006) and the Ohio Board of Regents *Summary of Program Expenditures by Institution* (1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005) provided line-item specific information on funding of specific state aid programs for private higher education institutions and the students enrolled in these institutions.

Direct State Payments to Private Institutions

Zumeta's (1996) scheme for evaluating state policy's impact on private higher education called for the exploration of institutional operational budgets, with particular emphasis on direct state payments to private institutions. However, Zumeta's scheme also utilized data collected through a survey created and disseminated by him in 1988. I did not use Zumeta's survey instrument for my research; therefore, I had to collect state aid data through other methods. The two data sources I used to determine which institutions received direct state payments in the form of non-student aid grants and contracts were: IPEDS (1988; 1992; 2000; 2004), and the Ohio Department of Budget and Management's annual *Budgetary Financial Report*, which detailed appropriations by fund (1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006).

As previously noted, IPEDS provided my research the data for state grants and contracts to private institutions as well as direct state appropriations. Table 5 lists the IPEDS variables I used to collect revenue data for each institution.

Table 5

IPEDS Variables for State Appropriations and Grants

Variable	Definition
F[year]_a_a043	Total amount of state appropriations to the institution
F[year]_a_a073	Total state grants and contract dollars received by the institution

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006).

Public Higher Education Tuition Levels

For the years 1988 through 2006 I used the following IPEDS variables to collect data regarding Ohio's public higher education tuition levels: (1) IC1980_PBTUI; (2) IC1984_PBTUI; and (3) IC[year]_ay_tuition2. Additionally, I also used the SHEEO annual *Higher Education Finance Report* (2004; 2006) and SHEEO *State Higher Education Priority Report* (2006) to collect state tuition data. I compared these data with private higher education tuition levels for which the data collection method has already been described.

Private Sector Involvement in State Higher Education Planning

Zumeta (1996) indicated that the extent of the state's inclusion of private higher education in state planning was a key indicator in determining the state's posture toward the private sector. Zumeta's scale was based on responses from the survey he conducted for the Education Commission of the States. He rated private sector involvement in state

higher education planning on a 4-point scale, ranging from no involvement to extensive involvement, based on responses to this survey. However, the Zumeta survey was not used as part of this research.

Rather, I used a combination of resources to describe and evaluate the extent of private higher education's involvement in state planning for higher education. First, I looked at the Ohio Revised Code (2006) to establish what, if any, statutory requirement existed for private higher education and for the operations and planning of the Board of Regents and Ohio's higher education system. Secondly, my research reviewed Board of Regents' master plans for higher education in Ohio (1992, 1996) for the presence of private higher education representation on state-wide planning committees. Thirdly, my research reviewed lobby organizations, governor-appointed higher education commissions, and other Board of Regents-supported higher education organizations that brought together the private and public sectors. More specifically, I reviewed the following organizations and supporting documentation: (1) the Association of Independent Colleges and Universities of Ohio, otherwise known as AICUO (June 2004; July 2004; 2005; 2006); (2) the Ohio Higher Education Facility Commission (2006); (3) OhioLINK (September 2007); (4) the Ohio College Access Network (2006); and (5) the 3rd Frontier Project (2006).

Duplication of Private Institution Programs

Zumeta (1996) suggested that state institution duplication of programs of private institutions was an indicator of a state's policy posture. I used the Ohio Revised Code section 3333-1-04 and Ohio Administrative Code (2006) to analyze the statutory

foundations upon which the Ohio Board of Regents authorized new programs, and recognized private higher education institutions.

State Mandates and Regulations Affecting Private Institutions

Zumeta (1996) ranked states from having no mandates to having extensive mandate and regulations based on interview responses of higher education agency and private college and lobby association heads. Therefore, my research included structured interviews to gather the perceptions of selected people involved with Ohio private higher education about the extent of state mandates and regulations affecting private colleges and universities in Ohio. First, on June 13, 2008 I interviewed Sr. Francis Marie Thraillkill, a board member of the National Association of Independent Colleges and Universities, president of the College of Mount St. Joseph and board of trustee member for the University of Dayton. Second, on June 23, 2008 I interviewed via phone C. Todd Jones, president of the Association of Independent Colleges and Universities of Ohio from November 2005 through June 2008. Third, I interviewed Larry Christman by phone on June 20, 2008. Dr. Christman served as an Ohio State Representative in the 1970s and as the president of the Association of Independent Colleges and Universities of Ohio from June 1983 through October 2005. Finally, I interviewed Robert Taft, former governor of Ohio from 1999 through 2007. Governor Taft was interviewed by phone on June 20, 2008. I also made multiple attempts to contact for an interview Dr. Roderick W. Chu, chancellor of the Ohio Board of Regents from 1998 through 2006, but was unsuccessful. Dr. Chu's interview was pursued to obtain the perspective of a high-ranking member of the Ohio Board of Regents during the time of the case study.

While each interview evolved in its own unique way, the following questions served as the foundation for each of the interviews.

- 1) What is your name, title, and the name of the organization(s) you work with?
- 2) For how long have you served in your current role?
- 3) Can you please describe your involvement with higher education in Ohio?
- 4) Can you also please describe your role with private higher education in Ohio?
- 5) What do you believe have been the most important issues affecting private higher education in Ohio over the past 26 years?
- 6) What role do you see private higher education in Ohio having in relation to assisting the state in meeting its identified higher education and workforce development goals and objectives?
- 7) How would you describe the extent of state mandates and regulations affecting private colleges and universities?
- 8) How would you describe the state's role in overseeing/governing private higher education?

It is important to note that these structured interviews were conducted during the final stages of my research, and that were not, strictly speaking, qualitative in nature. The purpose of the interviews was two-fold. First, the interviews were designed to provide a limited test for Zumeta's component of the extent of state mandates and regulations affecting private colleges and universities. Secondly, these interviews were used to verify the accuracy of my findings by collecting personalized insight from key figures in the policy and higher education arena in Ohio.

Data Analysis

As previously noted, the documents and data I collected were divided into three primary categories: (a) state demographics, (b) the state political environment and legal structures affecting higher education, and (c) the state policy posture toward private higher education. These major groupings were then further sub-divided to support easier handling and discussion of the data and corresponding results.

For the purpose of this research, state demographics came to include: (1) data regarding population trends with particular emphasis on high school graduation rates and the percentage of residents holding baccalaureate degrees; (2) economic trends and service areas in Ohio; and (3) higher education in Ohio with particular emphasis on the private sector. By combining data from the Ohio Department of Vital Statistics, the U.S. Census Bureau, and independent research organizations, such as the Rural Policy Research Institute, I was able to identify and analyze trend lines in population growth, racial and ethnic changes, income and education levels, and economic data regarding changes in the state's economy during the study time-frame. Additionally, I used the data from the National Center for Education Statistics' Integrated Postsecondary Data System to identify and discuss trend lines with respect to a wide variety of factors in Ohio's higher education community and private higher education. Taken together, this collection of data was used to help present a partial picture of the environment in which private higher education in Ohio operates.

The second major category of data I collected for this research included information to analyze and describe Ohio's political environment and legal structures affecting higher education. I subdivided this data into the following groupings: (1) state

legal documents such as the Ohio Constitution, the Ohio Revised Code, and the Ohio Administrative Code; (2) state agency documents such as the *Guidebook for Ohio Legislators* and the Ohio Board of Regents strategic plan documents; (3) lobby organization documents including those from Policy Matters Ohio and the Association of Independent Colleges and Universities of Ohio; and (4) previous research describing Ohio's higher political environment and legal structures affecting higher education including data from the Education Commission of the States, Schick et al. (1992), and McGuinness (1999; 2001).

My final major category of data was designed to specifically address Ohio's policy posture toward private higher education. This category was based on Zumeta's six policy areas used to indicate the state's policy posture. By combining data from the National Association of State Scholarship and Grant Programs annual report, the Ohio Board of Regents, the State Higher Education Executive Officer's finance report, and Ohio's department of Budget and Management, I was able to identify and analyze trends with respect to Ohio student aid practices, the extent of direct payments to private higher education institutions, and the relationship between state higher education tuition levels and private higher education tuition levels. Additionally, I used the Ohio Revised Code and the Administrative Code to provide the statutory foundations for analyzing the state's process for guarding against program duplication in the private sector by state institutions.

While these four policy areas were analyzed using third-party generated data, the remaining two policy areas required a less direct approach. Specifically, the data I used to analyze the extent of private sector involvement in state higher education planning were

generated by noting the presence of AICUO, Ohio's private higher education lobby organization, as a member of strategic planning commissions, reports of these commissions, and other state policy meetings. Finally, I collected data to analyze the extent of state mandates affecting private higher education via the short, structured interviews with selected members of Ohio's higher education community. I also identified key statutory requirements for private higher education institutions that established some type of mandate for the private sector. Examples of these mandates included the requirement to reports certain data to the Ohio Board of Regents and the decennial re-authorization process. I used the interviews to help me clarify my analysis on the extent of state mandates affecting private higher education and to assist with ensuring the general trustworthiness of my reported findings.

Trustworthiness

Bassey (2004) provided my research with key considerations to determine the trustworthiness of my findings. More specifically, he stated that prolonged engagement with the data, persistent observations of emerging issues, adequate checking of raw data sources, and a thoroughly account of the research I conducted were necessary to substantiate the trustworthiness of my study.

As previously discussed, I collected the data for this research from a wide variety of sources, including national and state databases, state agency reports, lobby organization reports, position papers, institution-specific sources, selected structured interviews, and existing research on private higher education. My use of nationally reported data as a primary data source helps to increase the trustworthiness of the data I collected and analyzed because I used primary sources. Furthermore, with the exception

of the data collected to address Zumeta's policy area on the extent of state mandates affecting private higher education, all of the data sources used were independently generated and reported.

The time period of my study allowed for extended observation of emerging issues in Ohio's higher education system and required me to establish and maintain thorough records of the data I collected and their sources. Furthermore, later in Chapter 3 and in Chapter 4 I provide a detailed account of these sources and how I used this information to identify trend lines in data sets and establish my findings.

However, it is important for me to recognize that I did not collect the data I used for my study. While I categorized data and teased out trend lines, I relied on the consistency and accuracy of the parties who originally collected and reported this data. Therefore, there may have been errors introduced into my study that I did not know about. Nevertheless, any errors reported in this research associated with trends I identified are the result of my oversimplification or exaggeration.

Summary

This chapter consisted of methods used to determine Ohio's policy posture toward private higher education and to present a case-study of private higher education in Ohio between 1980 and 2006. Data and information sources used to describe Ohio's demographics, the political environment, governance and legal structures, higher education governance work processes, and key policies affecting private higher education were identified from the research as broad general categories for grouping of collected data and information to be reported on in this study. Chapter 4 of this study consists of the results of the data and documentation collected for analysis in the study.

CHAPTER IV

RESULTS

On February 19, 1803, the United States Congress passed an act which granted statehood to Ohio, making it the 17th state to join the growing nation. Carved out of the Northwest Territory, the state's location, historically strong population growth, and economic and industrial influence gave it an important role for much of the 1800s and 1900s. However, during the later half of the 20th century the state's industrial and agricultural industries experienced challenges that had an important impact on the state. Yet Ohio, because of its diversity of people, the strength of the industrial and agricultural economy, and the balance between rural and urban populations, has been considered a political and social microcosm of the nation as a whole (Hurt, 1988). My focus is its relationship to private higher education from 1980 and 2006.

Demographics

The findings presented in the following sections address the second research question explored for this study. Specifically, these sections identify the historical factors that influenced Ohio's higher education system, governance structure, and funding patterns for private higher education from 1980 to 2006.

Population Trends

The U.S. Census Bureau data indicates that during the 75-year time span of 1930 to 2005, the nation's population growth totaled 141%. However, the population growth in Ohio during this same time span was only 72%. Despite the lackluster population growth, Ohio continues to be among the top ten most populous states in the nation, with over 11.4 million people calling the state home in 2000, an increase of 4.7% from 1990 (U.S.

Census Bureau, 2005a). As recently as 1980, Ohio's population ranked 6th in the nation; however over the past 25 years the state has slid to 7th as a result of comparatively low population growth and immigration into the state. Table 6 charts the growth of Ohio's population and the declining rank of the state.

Table 6

Ohio Population, 1960-2005

Year	Population	Decennial % Change	National Rank
1960	9,706,397	22.1%	5
1970	10,657,423	9.7%	6
1980	10,797,603	1.4%	6
1990	10,847,115	0.5%	7
2000	11,353,140	5.6%	7
2005 ^a	11,464,042	-	7
2030*	-	-.8%	9

Note. Data from U.S. Census Bureau (1983, 1992, 2002). ^a Data for 2005 are U.S. Census

Bureau estimates of Ohio population (2005b).

* Projection of Ohio population decline is from U.S. Census Bureau (2005a).

The single digit growth rate between 1980 and 1990 for Ohio's population was the slowest growth in the state's population ever recorded. More importantly, and with the noted exception of the 1940s during World War II, the single-digit growth rates of beginning in the 1970s represent the only time in Ohio's history that such paltry growth was recorded.

The Rural Policy Research Institute (RUPRI) (June 2006) notes that in 2005 80.5% of Ohio residents lived in large metropolitan areas (i.e., population over 50,000). Of the remaining 19.5%, 15% resided in counties with urban areas with populations between 10,000 and 49,999, and 4.5% lived in rural areas of the state. Between 1990 and 2000, 19 of Ohio's 88 counties experienced population declines. Between 2000 and 2005, 28 counties experienced population loss (RUPRI, 2006; U.S. Census Bureau, 2005b). Furthermore, between 1990 and 2000 only two counties experienced a population growth of 30% or more and an additional 19 counties experienced between 10% and 29.9% growth. By 2005, the number of counties having experienced population growth declined, with only one county increasing by 30%.

The decline of Ohio's population over the last 26 years is also notable in the state's declining number of births as reported in Table 7.

Table 7

Ohio Births, 1957-2002

Year	Population	% Change
1957	243,470	-
1962	217,465	-10.7%
1972	169,151	-22.2%
1982	164,468	-2.8%
1992	161,990	-1.5%
2002	147,832	-8.7%

Note. Data from Ohio Department of Vital Statistics (2003).

The Ohio Department of Health's Vital Statistics Office annually collects and reports on Ohio birth rates (2003). The years selected for inclusion in the table report the number of births in Ohio for an entering class of higher education students 18 years later. Stated another way, students in the entering class of 1980 for Ohio's institutions of higher education were born in 1962.

As Table 7 shows, Ohio's birthrate declined by almost 40% between 1957 and 2002. Given this drop in births, it is not surprising to see similar drops in the number of Ohio residents between the ages of 15 and 24 years. Table 8 reports the change in the number of Ohio residents between 15 and 24 years of age and over 65.

Table 8

Ohio Population Trend for Residents 18-24 and 65 or Older

Year	18-24 Years Old	% of Population	65 Years or Older	% of Population
1980	2,012,000	21.0%	1,187,700	11%
2000	1,546,000	13.6%	1,930,000	17%
2030*	-	7.6%	-	20%

Note. Data from U.S. Census Bureau (1983, 2002).

* Projected change in population (U.S. Census Bureau, 2005).

Table 8 also reports suggestions from the U.S. Census Bureau that Ohio should expect a 3% decrease in the percentage of state residents 20 years old and younger between the years 1995 and 2025. Corresponding with the previously noted decline in births, these data indicate that between 2006 and 2017 Ohio is expected to experience a 6% decrease in the number of high school graduates while simultaneously experiencing a moderate increase in the percent of residents aged 65 and older (U.S. Census Bureau, 2005a).

Looking forward, the U.S. Census Bureau reports that Ohio is expected to experience limited, if any, population growth over the next 25 years. Population estimates suggest that between 2000 and 2010, Ohio's population grow by 2%. Then, between 2010 and 2020, the projections suggest growth of only .6%. However, as noted in Table 6, the U.S. Census Bureau suggests that between 2020 and 2030, the state's population will actually decline by .8%, resulting in Ohio falling to ninth place in total state population (U.S. Census Bureau, 2005b). Furthermore, the U.S. Census Bureau projects that between 1995 and 2025 Ohio will lose approximately 758,000 residents because of internal U.S. migration, placing Ohio 45th among other states and the District of Columbia in population gained via internal migration (U.S. Census Bureau, 1996).

Race and ethnicity trends. According to the Ohio Department of Development, as of 2005 about 1 in 6 Ohioans is a member of a racial minority or is Hispanic, compared with a national level of 3 in 10 (Ohio Department of Development, 2006). Looking back over the past 26 years, it is clear that this was not always the case.

Table 9

Race and Ethnicity Distribution of Ohio's Population

Year	White	Black	Hispanic	Asian or Pacific Islander
1980	88.9%	9.7%	1.0%	.4%
1990	88.5%	10.0%	1.0%	.5%
2000	87.5%	10.5%	1.2%	.8%
2005 ^a	85.4%	11.5%	1.9%	1.2%

Note. Data from U.S. Census Bureau (1983, 1992, 2002).

^a Data for 2005 are U.S. Census Bureau estimates of Ohio population (2005b).

Table 9 reports changes for Ohio's racial and ethnic demographics between 1980 and 2005. While still a primarily White population, growth trends in Ohio suggest that the state will continue to experience modest increases in the minority population.

Immigration and emigration is an additional component of Ohio's population change during the past 26 years. The U.S. Census Bureau reports Ohio's foreign-born population increased between 1980 and 2005. Table 10 reports these findings.

Table 10

Immigration and Ohio's Population

Year	Foreign-born	% of Population
1980	302,000	2.7%
1990	259,673	2.4%
2000	339,000	3.0%
2005 ^a	387,216	3.5%

Note. Data from U.S. Census Bureau (1983, 1992, 2002).

^a. Data for 2005 are U.S. Census Bureau estimates of Ohio population (2005b).

While only an estimate of population change, the U.S. Census Bureau (2005a) suggests that the increase of the foreign-born population in Ohio accounted for over 50% of the state's population growth between 2000 and 2005. Furthermore, the Federation for American Immigration Reform (FAIR; 2007), a conservative non-profit organization focused on reform of immigration policy in the United States, suggests that upwards of 25% of Ohio's population growth between 1990 and 2005 can be directly attributed to the increase of foreign-born residents in the state.

In addition to an apparent trend of increasing numbers of foreign-born immigrants, Ohio has struggled with population loss, as residents have left the state. The U.S. Census Bureau estimates that between 2000 and 2006, Ohio lost a net average of almost 40,000 residents each year because of domestic migration. Coupled with this domestic migration trend is the perceived loss of college graduates from Ohio, otherwise referred to as the “brain drain” (Urban Affairs Center, 2006). Former Ohio Governor Robert Taft established the Governor’s Commission on Higher Education and the Economy (CHEE) in 2003 to give attention to the factors influencing the growing perception of Ohio’s brain drain. One finding of this report showed that between 1995 and 2000 Ohio lost approximately 25,000 college graduates. This number accounts for approximately 3.6% of all migrating college graduates in the nation. Of greater concern to CHEE was that Ohio attracted only 2.6% of the nation’s migrating college graduates, indicating that Ohio’s challenge in this regard was less “brain drain” than insufficient efforts and resources to attract college graduates to the state (Governor’s Commission on Higher Education and the Economy, 2004; Robert Taft, interview, June 28, 2008). Lending additional insight, the Urban Affairs Center (2006) notes that the migration of younger college graduates is a national trend similar to what Ohio has experienced, with the exception of college graduates moving into Ohio.

In sum, with regard to demographics, while the make-up of Ohio’s population has changed over the past 26 years, the state has experienced limited actual growth. The state has a more diverse population, but the data suggests that during the 26-year time period of my study the state has lost more college-educated residents than it has gained, while simultaneously witnessing modest increases in both minority and foreign born residents.

Together, these population trends indicate that strong and important economic factors, including the decline of the state's formerly robust manufacturing and agricultural industries, may have had an impact on the demographics (Patton, 2006). I now turn to data on income levels and state policy to increase the educational attainment levels of the state's residents.

Education Trends

Ohio has historically benefited from strong agricultural and manufacturing industries that did not require a college education for their workforce; however, these industries have experienced dramatic downturns over the past 30 years creating greater need for higher levels of education (CHEE, 2004; Ohio Board of Regents, 2004b). Despite increased attention to education attainment levels for Ohio citizens, the state continues to lag behind national levels in both the percentage and number of residents holding a college degree. In 2006, Policy Matters Ohio, a nonprofit statewide research organization, noted that Ohio needed an additional 287,865 Ohio residents with an associates degree or higher to have a nationally-comparable college-educated population (Patton, 2006). Moreover, the Governor's Commission on Higher Education and the Economy (CHEE; 2004) noted that only 11 states had lower baccalaureate degree attainment levels than Ohio. These data highlight a concern for Ohio's residents because high levels of educational attainment are associated with lower unemployment rates in states and higher personal income levels (College Board, 2004; Institute for Higher Education Policy, 2005). These gaps only increase over time and are particularly acute when comparing high school graduates to professional school graduates.

Although the 1980 U.S. Census did not specifically inquire about degree completion, the U.S. Census notes that for comparison purposes those completing at least 12 years of education were considered high school graduates and those with 16 or more years of education were considered college graduates (U.S. Census Bureau, 2003). Tables 11-14 report U.S. Census Bureau data about the education attainment of Ohio residents. More specifically, in Tables 11 I report, by gender and race/ethnicity, the percentage of Ohio high school graduates.

Table 11

*Ohio Residents with High School Diploma by Gender**

Year	U.S. Average	H.S. Graduates	Male	Female
1980	68.6%	70.2%	70.6%	69.9%
1990	75.2%	75.7%	80.0%	78.9%
2000	80.4%	83.0%	83.0%	83.0%

Note. Data from U.S. Census Bureau (1983, 1992, 2002, 2007).

* Reported data is for Ohio residents 25 years of age or older.

The Census Bureau data suggests that throughout the time period of my study Ohio was more successful at graduating students from secondary school than the national average. Furthermore, Ohio maintained close parity between male and female high school graduates. Similarly, as reported in Table 12, Ohio reported increases in the percentage of minority residents with high school diplomas during my study time period.

Table 12

*Ohio Residents with High School Diploma by Race/Ethnicity**

Year	H.S. Graduates	White	Black	Hispanic ^a
1980	68.6%	68.2%	54.7%	48.8.%
1990	75.2%	76.9%	64.6%	63.3%
2000	80.4%	84.2%	73.9%	67.1%

Note. Data from U.S. Census Bureau (1983, 1992, 2002).

* Reported data is for Ohio residents 25 years of age or older.

^a The category Hispanic includes all Ohio residents who reported Hispanic origin and may duplicate individuals already accounted for in other race/ethnicity groups.

I report in Tables 13 the percentage of Ohio residents holding a Bachelor's degree or higher by gender and in comparison with the U. S. national average. While Ohio fared better in high school completions than the national average, Table 13 demonstrates the consistent lag in the percentage of Ohio residents holding at least a Bachelor's degree compared with the national average.

Table 13

*Ohio Residents with Bachelor's Degree or Higher by Gender**

Year	U.S. Average	Ohio Average	Men	Women
1980	17.1%	13.9%	17.6%	10.7%
1990	21.4%	18.6%	20.4%	17.0%
2000	24.4	20.3%	22.9%	19.4%

Note. Data from U.S. Census Bureau (1983, 1992, 2002, 2007).

* Reported data is for Ohio residents 25 years of age or older.

I report in Tables 14 the percentage of Ohio residents holding a Bachelor's degree or higher by race/ethnicity.

Table 14

*Ohio Residents with Bachelor's Degree or Higher by Race/Ethnicity**

Year	U.S. Average	Ohio Average	White	Black	Hispanic ^a
1980	17.1%	13.9%	14.1%	7.0%	-
1990	21.4%	18.6%	17.6%	9.1%	14.2%
2000	24.4	20.3%	21.8%	11.9%	15.2%

Note. Data from U.S. Census Bureau (1983, 1992, 2002, 2007).

* Reported data is for Ohio residents 25 years of age or older.

^a The category Hispanic includes all Ohio residents who reported Hispanic origin and may duplicate individuals already accounted for in other groups.

Despite the increase in the percentage of Ohio high school graduates, Ohio continued to trail in college-level educational attainment. Despite increases in the number of Ohioans completing college, increases in the national average outpaced Ohio's growth. Furthermore, I found a substantial difference in both high school and college completion rates for Black and Hispanic students compared to White students (U.S. Census Bureau, 2003).

High School Attendance

U.S. Census Bureau (1983; 1992; 2003) data showed that Ohio continued to beat the national average percentage of high school graduates; however, Ohio failed to make up ground in terms of the percentage of its citizens completing college. This failure of Ohio citizens to pursue higher education was an important issue and a subject of concern

by the Ohio Board of Regents (1992a; 1996; 2004c) and other policy organizations in Ohio (The National Center, 2002; 2004; 2006; CHEE, 2004; Patton, 2005; Patton and Albrecht, 2006). Therefore, I gave this issue attention in my research.

Three trends are important to note with respect to the changes in Ohio's reported education attainment levels between the 1980 and 2000 U.S. Census reports. First and as previously discussed, the state has witnessed a dramatic decline in the number of reported births per year (see Table 7). These numbers highlight an alarming trend in the number of students available to enroll and complete programs at all levels of education. Despite the dramatic drop in births per year and corresponding number of eligible students for school, the state experienced increases in the percentage of Ohio citizens completing high school and college programs (Engle & O'Brien, 2005; Hanauer & Albrecht, 2005; Patton, 2006). However, increasing numbers of Ohio teenage high school dropouts weighed on college enrollment and continues to be an important issue for the state.

It is important to note that the graduation rate is different from the previously discussed percentage of Ohio's population having completed a high school degree. The graduation rate focused on those students who completed, and divides that total by the number of ninth-graders enrolled in the state 4 years earlier (Mortenson, 2004). The reported percentage of those having graduated from high school in Ohio includes those who moved into the state at some point after completing high school. The Pell Institute reported that the graduation rate in Ohio for 2002 was 71%, compared with the national level of 67%. While comparatively strong, this percentage actually reflected a decline in Ohio's graduation rate of 81% in 1994 (Engle and O'Brien, 2005). It was also noted that of particular concern in Ohio was the low percentage of low-income students completing

high school and, of more direct relevance to this study, continuing on to college (Engle and O'Brien, 2005; The National Center, 2004). More specifically, the stagnant college participation rate among Ohio's 18-24 year-old population over the past decade suggested that declining high school graduation rates were key to this stagnation.

Despite the declining high school graduation rates and stagnating population, Ohio witnessed a 65% jump in higher education levels between 1979 and 2002. During this time period the overall percentage of adults completing a bachelor's degree rose from 14.7% to 24.6%. Moreover, in 1979 only 7.3% of Black adults and 11.2% of women had completed a bachelor's degree. By 2002 these percentages had risen to 16.4% of Black adults and 22.7% of women (Hanauer & Albrecht, 2005). These increases suggest that Ohio is moving in a positive direction with regard to education attainment levels. However, the impact of declining high school graduate rates, stagnating population, and slower economic growth has put pressure on the state and higher education institutions to respond and correct these trends.

Employment and Income Trends

In 1992 Robert Taft, Governor of Ohio, appointed the Managing for the Future Task Force to offer recommendations for measuring the efficiency and effectiveness of higher education in the state (Ohio Board of Regents, 1992a; 1992b). In its report the Task Force noted that

throughout the 1980's, education and income became more closely related. Adjusted for inflation, those with only a high school diploma or less actually lost income, those with some college were able to preserve most of their income, and only those with a baccalaureate degree or more actually gained income. (Ohio Board of Regents, 1992a, p. 5)

The Task Force further noted that in 1992, as a result of higher education policy decisions and an economy that had been losing ground at the national level for over 20 years, “the average adult Ohio worker [was] nearly 20% less likely than the average American to have had an education beyond the high school diploma” (Ohio Board of Regents, 1992a, p. 5). While the state has witnessed percentage increases in higher education degree attainment, Ohio continues to report lower attainment levels than the national average and, in turn, continues to report lower median income levels (Chronicle of Higher Education Almanac, 2006). Given this trend, I have included a brief exploration of employment and income trends during the timeframe of my study.

The U.S. Census Bureau (2007) reported that the median family income level in Ohio rose from \$24,898 in 1980 to \$66,734 in 2005 compared with national levels of \$24,332 in 1980 and \$67,019 in 2005. While these numbers appear to be rather dramatic increases, Hanauer and Albrecht (2005) argued that in constant 2004 dollars the median income level for a family of four has increased only approximately \$13,000 over a 24-year period. More important, Hanauer and Albrecht note that between 1998 and 2004 the median income level for a family of four in Ohio stagnated around \$66,500 per year, despite an upward trend at the national level. It is also important to mention that the increases in the median family income levels identified by the U.S. Census Bureau (2007) and by Hanauer and Albrecht were more the result of increased work participation, or more hours worked by the primary wage earner in the family, than of real wage increases.

The U.S. Census Bureau generates the median household income report, which serves as one of the primary income measures used for national comparison of income

levels. The Census Bureau derives median household income by identifying the income level of a given household and placing it in a distribution of all households, thus resulting in a distribution in which half of all households are above the median and half of all households are below. It is important to note that the U.S. Census Bureau and Ohio Department of Human and Resource Development identify a family household as having at least two members related by blood, adoption, or marriage, but not all households include children. A non-family household is defined as a person living alone or sharing a home with non-relatives (Ohio Department of Human and Resource Development, 2002). However, between 1980 and 1998 the percentage of households at the national level qualifying under this definition fell from 74% to 69%. In Ohio, the percentage of non-family households in the state increased from 26.3% in 1980 to 32.7% in 2000 (Ohio Department of Human and Resource Development, 2002). The increase in non-family households in the state suggests that the median household income statistic of the U.S. Census Bureau becomes less accurate an indicator of statewide median income levels between 1980 and 2000. Despite this limitation, the median household income statistic remains a good indicator of family income growth.

Reports from the Bureau of Economic Analysis within the U.S. Department of Commerce also document a decline in Ohio worker income levels when compared to the national average. Table 15 shows Ohio's per capita income level between 1980 and 2006 and the corresponding percentage of the U.S. per capita income average.

Table 15

Ohio Per Capita Income

Year	Income	% of National Average
1980	\$10,046	99.3%
1990	\$18,743	96.2%
2000	\$28,205	94.5%
2006	\$33,338	91.9%

Note. Data from U.S. Department of Commerce (2007).

In addition to reported income levels of Ohio residents, I explored two additional factors to provide further context for Ohio's working population: Ohio's poverty rate and unemployment rate during my study time period. Hanauer and Albrecht (2005) reported that between 1980 and 2004 the percentage of people in Ohio living under the poverty line increased despite a national trend downward during this same period. Using 2004 dollars, a family of four was considered to be below the poverty line if their income was less than \$19,157. Of further concern in Ohio, Hanauer and Albrecht reported that in 2004 approximately one in four Ohio workers earned less than \$9.28 an hour or \$19,311, assuming year round full-time employment. Although this percentage represents an improvement over early 1980 percentages when close to 32% of Ohio workers did not earn enough on their own to support a family of four above the poverty line, poverty levels remain high in the state. Hanauer and Albrecht argued that, due to inadequacies in the method used to calculate the national poverty rate, a more appropriate test of the state's income levels was to identify the percentage change in family incomes equaling

twice that of the poverty level because of. In Table 16 I report data from 1980 and 2004 about Ohio's poverty level and Ohio residents earning two times the poverty level.

Table 16

Ohio Poverty Levels

Year	% Below Poverty Level	% Below 200% of Poverty Level	% of Nation Below 200% of Poverty Level
1980	32%	29.8%	33.9%
2004	25%	28.9%	31.2%

Note. Data from Hanauer and Albrecht (2005).

Once again, Ohio reported stronger numbers than that of the nation. However, unemployment trends in the state also indicate important changes over the course my study time period. Table 17 illustrates the changes in Ohio's unemployment rate between 1980 and 2002 compared with the United States average.

Table 17

Ohio Unemployment Levels

Year	% Unemployed	U.S. Average
1980	8.5%	7.1%
1984	12.4%	7.5%
1989	6.4%	5.3%
2000	4.0%	4.0%
2002	6.4%	5.8%

Note. Data from Hanauer and Albrecht (2005) and Bendull (2007).

Despite the dramatic changes in Ohio's unemployment rates, prior to 2003 Ohio beat the national unemployment rate average in all but 2 years, 1990 and 1999. However, as reported in Table 17, since 2003 Ohio has reported unemployment rates higher than the national average (Hanauer, 2007; Hanauer and Albrecht, 2005).

I also found it noteworthy that Ohioans with a bachelor's degree or higher reported unemployment rates of 1.6% to 2.4% between 2001 and 2006, compared with 4.7% and 6.3% for those with a high school diploma during this same period (Hanauer and Albrecht, 2005). Furthermore, the National Center for Higher Education Management Information Systems (2005) noted that the median income level for those completing a high school degree was \$22,000 per year. For those with a bachelor's degree it was \$36,000 per year and \$45,000 per year for those completing a master's degree. Moreover, Hanauer (2007) noted that in 2006 dollars the hourly wage for an Ohio worker with a high school diploma fell from \$13.39 in 1979 to \$9.92 in 2006 or almost \$3.50 while for those with a bachelor's degree or higher it rose from \$18.80 in 1979 to \$22.06 in 2006. This represents a net difference of \$12.14 per hour or just over \$25,000 per year, assuming full-time employment throughout the year.

Patton (2006) further noted that among Ohioans 18 to 64 years old, those with an associate's degree earned 93% more than those without a high school diploma and 32% more than those with a high school diploma. Ohioans with a bachelor's degree earned almost 250% more than high school dropouts and 64% more than those with a high school diploma on an annual basis. However, despite increased levels of educational attainment and a more productive and harder working workforce, Ohioans continued to experience wage declines, income erosion, persistent poverty and job loss (Hanauer and

Albrecht, 2005). Collectively, these trends point to significant issues and pressures present in the Ohio economy, which have placed greater importance on degree attainment and emphasized the need to review the recent history of Ohio's economy to provide more complete context for the developments in state policy with respect to private higher education over the past 26 years.

Economic Trends

Beemiller and Dunbar (1993) reported that Ohio's 1980 gross domestic product was \$122.7 billion and had increased to \$222.1 billion as of 1990. More recently, Ohio's Office of Strategic Research (2005) noted that "if Ohio were a separate country, it would have the 26th largest economy in the world" (p. 13). Within the United States, Ohio's gross state product of \$425.2 billion in 2004 was ranked 7th largest. However, between the years 1986 and 2006, Ohio's share of the national gross domestic product declined from 4.2% to 3.6% (Ohio Legislative Service Commission, 1998, 2006). Furthermore, Ohio's economy, as measured by inflation-adjusted gross state product, grew more slowly than the nation's even before the 2001 recession. Following the terrorist attacks in September 2001, the state experienced a more dramatic downturn in the economy than that of the nation. The sharp economic downturn in the state was followed by a slower recovery that continued shifting the state's economy from manufacturing and agriculture to service production (Larrick, 2006; Ohio Legislative Service Commission, 2006).

Ohio's Rural Policy Research Institute (2006), also known as RUPRI, noted that in 2004 the largest share of employment for Ohio residents was in manufacturing, government, retail and trade, and health care and social assistance. However, despite the significant role played by manufacturing in the state's economy historically, this

particular sector has witnessed a decline from 35.6% of the state gross state product in 1977 to a 19.7% share in 2004 (Ohio Legislative Service Commission, 1998, 2006). Furthermore, between 1972 and 1997 manufacturing employment fell from 34.2% to 20.4% of wage and salary employment in the state and service industry jobs increased from 15.5% to 27.3% of the state's wage and salary employment.

Agriculture has also played a significant role in the state's economy. The 2002 US Census of Agriculture reported that Ohio had approximately 10 million acres of harvested farmland, with the three largest crops being soybeans, corn, and winter wheat. The Ohio Legislative Service Commission (2006) reported that the state ranked in the top 10 in the production of commodities such as corn, winter wheat, soybeans, and tobacco. However, as with manufacturing, the agriculture sector has experienced an overall loss of farmland from 57.6% of the state in 1982 to 51.6% in 1997. Stated another way, in 1982 the ratio of land for agricultural use in the state to urban land acreage was 5.47 to 1, but by 1997 the ratio had decreased to 3.78 (Ohio Legislative Service Commission, 2006). Table 18 further illustrates the shifting of jobs among between 1990 and 2005.

While the manufacturing and agriculture sectors of the state's economy continue to decline, other sectors have reported growth over the past 26 years (see Table 18). As previously noted, the service industry sector of the state's economy has experienced significant growth since the late 1970s. The Ohio Legislative Service Commission subdivided the service industry into four sections: government; professional and business services; educational and health services; and leisure, hospitality and other services. Of these the professional and business service and educational and health service industries reported the greatest positive average annual rate of change in employment between 1990

and 2005 (see Table 18). Moreover, Larrick (2006) reported that 75.8% of all the value of economic activity in Ohio for 2005 was from the service sector of the state's economy.

Table 18

Ohio Employment Shift, 1990 – 2005

Sector	% Change
Natural Resources & Mining	- 3.0%
Construction	1.3%
Manufacturing	-1.8%
Trade	0.3%
Transportation & Utilities	1.5%
Information	-0.1%
Professional & Business Services	2.6%
Financial Activities	1.4%
Educational & Health Services	2.3%
Leisure, Hospitality & Other Services	1.5%
Government	0.7%

Note. Data from Ohio Legislative Service Commission (2006).

A closer look at the service sector revealed that the management of companies and enterprises along with services provided by hospitals, nurses, residential care facilities, truck and rail transport, and insurance carriers created the most employment opportunities between 1990 and 2005 for Ohio workers. Furthermore, the highest projected employment growth areas are those sectors focused on information dissemination, wholesale trade, professional-scientific-technical services, enterprise management and administrative support activities (Larrick, 2006).

In sum, this review of Ohio's population, employment, and economic demographics provide my study with the overall context in which private higher education operates. The mix of declining population, persistently declining wages, low college attendance and graduation rates, and slow economic growth indicate significant challenges to the governance of the state. The changing employment arena placed greater emphasis on the importance of college-degree attainment; however, a general decline in the state's economic strength resulted in limited fiscal resources for education. The increasing diversification of Ohio's population also challenged the state to expand education support to meet increasingly stratified preparation of its residents.

Together, these factors illustrate why Ohio chose to use limited resources to expand the role of higher education and strengthen college attainment levels as a method of growing and strengthening the Ohio economy. Moreover, my data in this section provide some indication about the historical factors that influenced the design and operation of Ohio's government and higher education governance structures. Stated another way, my discussion on the demographic and economic issues in Ohio clearly indicates why Ohio has not pursued a laissez-faire private higher education policy posture as described by Zumeta (1996). The issues in Ohio required the state to be more actively involved in higher education planning and delivery to respond these economic and demographic challenges and, as a result, provide some support to Zumeta's (1996) classification of Ohio's higher education governance structure and policy posture toward private higher education as one that is a hybrid of the central-planning and market-competitive postures. Therefore, in the following section I explore Ohio's governance

structure, budget, and agencies having involvement with or influence over the provision of higher education.

Governance Leadership and Structure

In the following section I report my findings, which addresses the second and fourth research questions. More specifically, this section reports on Ohio's governance structure, the budget processes relating to the delivery of higher education in Ohio, and Ohio's public and private higher education. With the exception of the historical overview of higher education in Ohio, I have confined these findings to my study's time period of 1980 to 2006.

As with any state, higher education does not exist outside of the influence of the political structures and forces within the state. Ohio's executive, legislative, and judicial branches are each popularly elected to office, with state-wide elections taking place every 2 years. The state's executive branch includes the Governor (who has statutory authority to appoint a 23-member cabinet), the Lieutenant Governor, the Secretary of State, the Auditor of State, the Attorney General, the Treasurer, the State Board of Education, and the above identified Governor's Cabinet. The Ohio Board of Regents, the higher-education governance body of the state, is not a part of the Cabinet. Members of the Governor's Cabinet serve at the pleasure of the Governor and are directors of the numerous state agencies charged with specific responsibilities. The legislative branch, commonly referred to in the state as the General Assembly, includes a 99-member House of Representatives and a 33-member Senate. The judicial branch includes the Ohio Supreme Court, as well as 12 courts of appeals, as well as courts of common pleas in each county, municipal and county courts, and a court of claims.

Recent history shows that the General Assembly has tended to be controlled by a Republican majority. The 115th General Assembly, which was in session during 1983 and 1984, was the last time that a Democrat majority was present in the Ohio Senate. Beginning with the 116th General Assembly, and throughout the duration of my study, the Republican Party held the majority in the Ohio Senate. In the Ohio House of Representatives, records show the presence of a Democrat majority from just prior to 1980 through the 120th General Assembly in session in 1993 and 1994. The Republican Party took control of the Ohio House with the 121st General Assembly in 1995 and continued to hold both houses of the General Assembly through 2006 (Ohio Legislative Service Commission, 2007a).

The Ohio Governor's office has been occupied by both Democrat and Republican leadership over the past 30 years; however, for much of the time between 1980 and 2006 it was under the leadership of a Republican governor. While Article 3.2 of the Ohio Constitution limits the term of office for elected officials to a period of no more than two successive terms of 4 years, this limitation appears to have had little impact on the consistency of Republican leadership during the time period of this study. In 1980 Republican James Rhodes was in his second 4-year term in office as Ohio Governor. Rhodes' last year as Governor was 1983, when he was succeeded by Democrat Richard Celeste, who served two consecutive 4-year terms through 1991. Ohio voters returned the Governorship to Republican leadership for the next 16 years with the election of George Voinovich. Governor Voinovich's second term in office was shortened as a result of his election to the U.S. Senate in 1998, resulting in his Lieutenant Governor, Nancy Putnam Hollister, briefly serving as the first female Governor of Ohio for a few weeks. Robert

Taft was inaugurated in January 1999 as the fourth consecutive Republican to hold the Governor's office during my study time period. In similar fashion to his predecessors, Governor Taft also served two consecutive 4-year terms ending in January 2007.

However, during the 2006 elections, Ohio voters returned control of the Governor's Office, along with the majority of elected Ohio Cabinet positions, and both U.S. House and Senate seats for Ohio to the Democratic Party.

While political party affiliation can suggest a general philosophy espoused by an office holder, other factors also play an important role in determining the impact of a governor. Burns, Peltason, and Cronin (1990) indicated that a governor's actual power and influence derive from his or her ability to persuade others, as well as his or her reputation and popularity within the state, knowledge of what must be done, and ability to communicate effectively such needs. Burns, et al. (1990) further indicated that the Ohio governor's powers were considered moderate "based on budget powers, appointive and organizational powers, tenure potential and veto powers" (p. 140). However, Ohio's governor enjoys other powers that suggest a stronger role and ability to influence state policy, such as statutory rights to appoint the governor's cabinet and to line item veto when signing legislation passed by the General Assembly. Appointed members of the Governor's Cabinet include the Adjunct General, director of the Office of Budget and Management, and directors of the departments of Development; Insurance; Job & Family Services; Natural Resources; Taxation; Mental Retardation/Developmental Disabilities; Health; Aging; Agriculture; Commerce; Administrative Services; Youth Services; Mental Health; the Lottery Commission; Environmental Protection Agency; Transportation; Information Technology; Public Safety; Rehabilitation and Corrections; and the Bureau

of Worker's Compensation. Noticeably absent from this list of appointed cabinet officers are the Department of Education and the Board of Regents.

Ohio Budget Process

Every two years the Governor of Ohio, in conjunction with the Ohio Office of Budget Management and the Ohio Legislature, decides upon the operating budget for the state over the next biennium. The Ohio Constitution, Article XII, section 4, gives the Ohio General Assembly the power "for raising revenue, sufficient to defray the expenses of the state, for each year, and also a sufficient sum to pay principle and interest as they become due on state debt." While the power to tax rests with the legislature, the process of creating the budget by which the state operates begins and ends with the Governor. Title I, chapter 107.03 of the Ohio Revised Code specifies that the Governor shall submit a 2-year state budget to the General Assembly and include (1) a general budget summary by function and agency; (2) a detailed statement of recommended appropriations; (3) a detailed estimate of revenue based on existing law in comparison with actual revenue from previous two years; (4) the estimated cash balance at the beginning of the budget time period; (5) an estimate of additional revenue based on proposed legislation; and (6) a description of each tax expenditure and an estimate of revenue directed to fund these expenditures.

In other words, the Governor, with the support of the Office of Budget and Management and the State Treasurer, has the responsibility to report on state revenues and expenditures for each of the previous two bienniums, while also making 2-year spending recommendations for the use of state revenues for each of the departments and programs controlled by the state. The Ohio Legislature has the responsibility for

amending and approving the spending recommendations of the Governor. Additionally, while no part of the Ohio Constitution specifically requires the state to plan for and maintain a balanced budget, various articles serve to ensure that the budget is balanced each year (e.g.; Article II, Section 22; Article VIII, Sections 1 through 3; Article XII, Section 4 of the Constitution; Sections 126.05 and 126.07 of the Ohio Revised Code).

Article II, Section 22, of the Ohio Constitution addresses the appropriation power of the Legislature, stating that “no money shall be drawn from the treasury, except in pursuance of a specific appropriation, made by law; and no appropriation shall be made for a longer period than two years.” Furthermore, Article VIII of the Ohio Constitution provides overall guidelines for the handling of public debt and public works, and Section 2 of the Article establishes the powers of the state to incur debt and finance certain types of projects, programs, and initiatives within identified fiscal boundaries. Article VIII, Section 3 further specifies that the state cannot incur any other debt “above” those specified in Article VIII, Sections 1 and 2.

In addition to these Constitutional mandates, as well as Article XII, Section 4, which provides power to the legislature to raise revenue to defray debt incurred by the state, the Ohio Revised Code establishes the rule for state appropriations and the expectation of a balanced budget. Section 126.05 requires the Ohio Office of Budget and Management to submit monthly reports to the Governor regarding the spending and fund balances of each department within the state having received appropriations for the fiscal year. The section further requires the Governor to restrict state agencies from overspending or incurring financial obligations for which no appropriation was established. Section 126.07 of the Ohio Revised Code (2006) further states that the

director of Budget and Management has the authority and obligation to withhold payment if there are not sufficient unobligated funds. This section further provides for the state's expectation that the expenditures of the state in a given fiscal year do not exceed the revenues projected to be collected by the state. More specifically, when taken together, these sections of the Ohio Constitution and Ohio Revised Code clearly establish the expectation of a balanced budget by (1) limiting the state's ability to incur debt; (2) requiring the General Assembly to raise such funds as to defray state expenses each year; (3) limiting expenditures to only those that have been legislatively appropriated; (4) limiting the timeframe of such appropriations to only two years; and (5) requiring the Governor to exercise budget oversight by limiting spending by state agencies when funds are not available or have not been appropriated (Legislative Service Commission, 2007a).

Major Sources of Revenue and Expenditures

The Ohio budget includes revenue and expenditure expectations within five generally referenced funds: the General Revenue Fund (GRF), Local Government Funds (LGF), Local Government Revenue Assistance Fund (LGRAf), Library and Local Government Support Fund (LLGSF), and the Lottery Profits Education Fund (LPEF). The General Revenue Fund serves as the base for most revenue generated by the state as well as for most appropriations enacted by the General Assembly. As previously noted, the Ohio budget establishes revenue and expenditure projections for two fiscal years; a year begins on July 1 of the calendar year and ends June 30 of the next calendar year.

The budget is established through six primary appropriations bills that require approval of the General Assembly and signature of the Governor to become enacted law for the biennium. During the first six months of a new legislative biennium, and prior to

June 30 of that calendar year, the General Assembly enacts the main appropriations bill determining allocations to the General Revenue Fund. The General Revenue Fund serves as the primary fund out of which all lawfully acquired state financial obligations with no designated special payment fund are paid. Within this same time period the General Assembly also considers appropriations bills for the department of education and other education-related agencies, the department of transportation, and the Bureau of Worker's Compensation and the Industrial Commission. Two additional appropriations bills are also enacted by the legislature each biennium: the capital improvements bill, which funds projects for the acquisition, construction, or renovation of buildings not included in the transportation appropriations bill, and the capital re-appropriations bill which, continues funding for those projects approved in the prior biennium but not completed within that period (Ohio Legislative Service Commission, 2007).

As previously noted the Ohio Constitution provides for the Legislature to levy and collect taxes to provide for the annual operations of the state and for paying down debt incurred by the state. Ohio collected general revenue funds from a variety of sources, with taxes as the primary basis for the general revenue funds, including the personal income taxes, corporate and public utility taxes, general sales and use taxes, cigarette taxes, corporate franchise taxes, and auto sales taxes. A variety of additional state taxes also brought dollars to the General Revenue Fund; however, these taxes constituted a significantly smaller percentage of the tax revenue generated by the state. In addition to the various taxes, Ohio also generated dollars for the General Revenue Fund through a variety of other sources including, Federal grants, licenses and fees, investment earnings, and lottery profits (Ohio Legislative Service Commission, 2007c).

Ohio budget revenues. Ohio collected \$3.9 billion in revenue from taxes and a total \$5.0 billion of revenue in 1980. By 2006 Ohio's revenues had increased to over \$27 billion and in Table 19 I list a selection of revenue sources for Ohio.

Table 19

Ohio Budget Revenue Sources (in millions)

Year	Total Revenue	Sales & Use Taxes	Personal Income Taxes	Ohio Lottery	Cigarette Taxes	Federal Grants
1980	\$5,003	\$1,446	\$1,039	\$37	\$194	\$656
% of Total	100.0%	28.9%	20.8%	0.7%	3.9%	13.1%
1990	\$12,940	\$3,579	\$4,122	\$644	\$207	\$2,204
% of Total	100.0%	27.7%	31.9%	5.0%	1.6%	17.0%
2000	\$21,965	\$6,211	\$8,080	\$686	\$288	\$3,729
% of Total	100.0%	28.3%	36.8%	3.1%	1.3%	17.0%
2006	\$27,707	\$7,669	\$9,616	\$646	\$1,084	\$5,595
% of Total	100.0%	27.7%	34.7%	2.3%	3.9%	20.2%

Note. Data from Ohio Legislative Service Commission (2007b).

Personal income tax and federal grant dollars increased significantly between 1980 and 2006. Additionally, Ohio lottery revenues, a portion of which funds education, also generally increased between 1980 and 2006 despite fluctuations. The state's cigarette tax is also worth noting because the significant increase in revenue from this source between 2000 and 2006.

As demonstrated by the personal income and cigarette taxes, Ohio continued to collect increasing amounts of tax dollars each year of my study. On average, the annual tax revenue increased by 6.7%. A 19% increase in 1983 was the largest in a single year while a reduction of 1% in 2002 was the smallest in a single year (LSC, 2007a). It is also

important to recognize the impact of Federal grant dollars on Ohio's annual revenues. As demonstrated in Table 19, Federal Grant dollars accounted for an increasing share of Ohio's revenues between 1980 and 2006.

Ohio budget expenditures. On the other side of the budget equation, expenditures, primary and secondary education, human services, higher education, corrections, and state and local government operations have been the primary areas for use of state funds over the past 26 years (OBR, 2004d). While state revenue increased during my study time period and expenditures also tended to increase, not all sectors benefited equally from the increased revenue to the state. Table 20 illustrates that the expenditures for all levels of education declined as a percentage of overall state expenditures while human services, corrections, and transfers to local governments increased. Although the reductions of education expenditures were not dramatic, they highlighted the Ohio experience of a national trend to direct state dollars away from education, particularly higher education, to corrections and other service sectors in the state.

While Ohio's education sectors reported declining shares of the state budget over the period of this study, the sectors of human services and corrections along with the combined sectors of transportation, local government funds, and other general expenditures reported increased shares of state expenditures. In fact, over the 26-year period of my study, corrections expenditures reported the greatest average annual growth rate of state expenditures at 9.99% per year.

Table 20

Ohio Budget Expenditures (in millions)

Program	Total Expenditures ^a	K-12 Education	Higher Education	Human Services	Corrections	Transportation	Transfers ^b	Other
1980								
Dollars	\$4,395	\$1,856	\$741	\$1,134	\$151	\$14	\$103	\$397
% of Total	100.00%	42.20%	16.90%	25.80%	3.40%	0.30%	2.30%	9.00%
1990								
Dollars	\$10,685	\$3,842	\$1,656	\$2,869	\$530	\$38	\$710	\$1,042
% of Total	100%	36.00%	15.50%	26.90%	5.00%	0.40%	6.60%	9.80%
2000								
Dollars	\$17,423	\$6,418	\$2,433	\$4,421	\$1,512	\$42	\$1,260	\$1,517
% of Total	100%	36.80%	14.00%	25.40%	8.70%	0.20%	7.20%	8.70%
2006								
Dollars	\$21,102	\$8,307	\$2,462	\$5,771	\$1,712	\$26	\$1,229	\$1,595
% of Total	100%	39.40%	11.70%	27.30%	8.10%	0.10%	5.80%	7.60%

Note. Data from Ohio Legislative Service Commission (2007c).

^a Total expenditures does not include use of Federal grant dollars. ^b Transfers includes distributions to the Local Government Funds and lottery distributions.

Human services reported the an average annual growth rate of 7.24% and the combined sectors of transportation, local government funding and other general expenditures by the state reported an average annual growth rate of 6.68% (Ohio Legislative Services Commission, 2007c).

Primary and Secondary Education Expenditures

As noted in Table 20, primary and secondary education accounted for a significant amount Ohio's annual expenditures. Table 21 highlights the 5-year growth of primary and secondary education expenditures.

Table 21

Primary and Secondary Education Expenditures (in millions of dollars)

Year	Dollars	% Change
1980	\$1,856	-
1985 ^a	\$2,768	49.1%
1990 ^a	\$3,842	38.8%
1995 ^a	\$4,562	18.7%
2000 ^a	\$6,418	40.7%
2005 ^a	\$8,226	28.2%
2006 ^b	\$8,307	1.0%

Note. Data from Ohio Legislative Service Commission (2007c).

^a % change in expenditures over 5 years. ^b % change in expenditures over 1 year.

The Legislative Services Commission reported that between 1980 and 2006 primary and secondary education reported an average annual increase in expenditures of 6.39%. The lowest year to year increase was reported in 1983 with an annual rate of growth of -3.2%. Negative annual growth, -0.7%, was also reported in 1992. The highest annual increase, 28.7% was recorded in 1983 by the Legislative Services Commission (2007c).

Furthermore, Ohio's expenditures on primary and secondary education declined as a share of the state budget from 1980 to 1994. Beginning in 1998, the state began a sustained increase in expenditures for this sector. However, despite this effort, primary and secondary expenditures failed to return to the level reported in 1980 (see Table 20).

Higher Education Expenditures

The Legislative Services Commission (2007c) noted that higher education had an average annual growth rate of 5.08% over the 26 year period of my study (see Table 21).

Table 22

Ohio Higher Education Expenditures (in millions of dollars)

Year	Dollars	% Change
1980	\$ 741	-
1985 ^a	\$1,102	48.7%
1990 ^a	\$1,656	50.3%
1995 ^a	\$1,877	13.3%
2000 ^a	\$2,433	29.6%
2005 ^a	\$2,442	0.4%

Note. Data from Ohio Legislative Service Commission (2007c).

^a % change in expenditures over 5 years. ^b % change in expenditures over 1 year.

The Commission (2007c) also reported that the highest annual growth rate for expenditures in this sector, 19.1%, occurred in 1984. This corresponds with the implementation of the Ohio Choice Grant, which I will discuss later in my study. The Legislative Services Commission also noted that higher education experienced 4 years of negative annual growth rates (1) -2.9% in 1992; (2) -0.8% in 1993; (3) -2.5% in 2002; and (4) -1.9% in 2003. Additionally, higher education expenditures reported 0% annual growth in 2004 and only 0.8% growth in 2005. As a result, higher education declined as a

percentage of all state expenditures from 16.9% in 1980 to only 11.7% 2006 (Legislative Services Commission, 2007a).

From 1980 to 2006 Ohio generated a substantial portion of its annual operating budget from gross state tax revenue. 68.8% in 1980 and 69.9% in 2006 of the state's revenue was derived from the collection of the major taxes (Ohio Legislative Services Commission, 2007b). More importantly, state tax revenues equal approximately 6.1% of personal income, ranking Ohio 38th nationally. However, when local tax burdens are included, the combined tax revenue equals approximately 11.3% of personal income. This combined tax rate placed Ohio in the top third of states for its tax burden on personal income (Government Performance Project, 2003).

In Ohio General Fund revenues are primarily collected from individual income taxes (32.5%), state and use taxes (30.3%), and Federal fiscal support for social welfare projects (22.7%). Together, these sources account for approximately 85.5% of the annual budget. Local governments generate the majority of their revenue funds from property taxes, additional sales tax, fees and other charges. Therefore, even though Ohio's burden at the state level is moderate relative to other mid-western states, a plethora of local levies changes the financial situation of Ohio residents, resulting in a state with one of the highest tax burdens in the nation.

The general economic stagnation in the state, particularly since 2001, exacerbated financial challenges with respect to higher education. While revenues to the state increased, these were often on the backs of Ohio's citizens. This is most clearly demonstrated by personal income tax revenue that accounted for 14.7% more of the state's revenues in 2006 than in 1980. However, rather than using the increased revenue

for additional support to K-12 and higher education, Ohio increased expenditures in areas such as corrections, service industries, and local governments. More importantly, despite increases in the dollar amounts spent on K-12 and higher education, the percentage of state expenditures in both areas declined over my study's time period. In fact, higher education's share of state expenditures declined by 5.2% between 1980 and 2006. The decline in fiscal support resulted in state university and community college tuition increases, as well as private higher education tuition increases, during a time period when income levels remained relatively flat and tax burdens were increasing (Hanauer & Albrecht, 2005; Patton, 2006). The stagnating economy and reduced state fiscal support, slumping personal income levels, and increasing tuition levels resulted in a difficult environment for higher education in Ohio, a point I turn to next.

Characteristics and History of Higher Education

Higher education in Ohio began shortly after President Thomas Jefferson endorsed the Congress's decision to grant Ohio statehood in February 1803. Less than one year later, on February 18, 1804, the Ohio General Assembly approved the charter of Ohio University, the first institution of higher education in this state (Ohio University, 2004). Five years later Miami University was established, followed by the University of Cincinnati in 1819. Kenyon College, the oldest private institution of higher education in Ohio, was founded in 1824 and was quickly followed by the founding of Case Western Reserve University in 1826. From the establishment of these early institutions, Ohio's system of higher education institutions has dramatically grown. In 1980 158 institutions of higher education were operating in Ohio, 77 of which were 4-year degree-granting institutions that enrolled a combined 352,292 students. By 2006 the number had grown to

210 institutions of higher education in Ohio, ranging from state supported, to 2-year and 4-year institutions, to private not-for-profit and proprietary institutions (IPEDS, 2006). Of these, 103 institutions were 4-year degree-granting institutions, and their combined enrollment totaled 413,946 students (IPEDS, 2006). Included among these colleges and universities were widely recognized institutions such as Miami University, the Ohio State University, Case Western Reserve University, the University of Dayton, Oberlin College, Cincinnati College of Mortuary Science (the oldest mortuary college in the nation), and Wilberforce University, an African Methodist Episcopal university and the oldest historically black institution of higher education in the United States (Wilberforce, 2007).

The development of Ohio's institutions was also significantly influenced by a variety of Christian-based organizations. Rudolph (1990) found that religious orders played a significant role in the expansion of higher education in the Northwest Territory and beyond. Far from being an exception to this historical footnote, Ohio's higher education history is rich with religious-affiliated colleges and universities that continued to play a significant role in the delivery of higher education in the state to date. In 1980 38 out of 58 private, 4-year, degree-granting institutions were religiously affiliated. By 2006 42 of 67 private, 4-year degree-granting institutions operating in Ohio were religiously affiliated (IPEDS, 2006). It is important to note that included in these private institutions were a variety of 4-year, degree granting seminaries, rabbinical institutes, and bible colleges that I excluded from this study.

Kenyon College, the first of Ohio's private institutions of higher education, was founded by an Episcopalian bishop in 1824. Xavier University, originally established as the Athenaeum of Ohio, was founded by a Catholic bishop as the first Catholic institution

of higher education in Ohio and the Northwest Territory (Xavier University, 2001).

Denison University, also founded in 1831, was established as a Baptist institution

(Knoble, 2007). Hebrew Union College, the oldest Jewish institution of higher education

in the United States, was established in 1875 (Hebrew Union College, 2007). Table 23

documents the change in the number of Ohio higher education institutions between 1980 and 2006.

Table 23

Higher Education Institutions

Year	Total	Public		Private
		4-Year	2-Year	4-Year
1980	77	15	62	62
2006	103	30	32	73

Note. Data from IPEDS (2006).

The decline in the number of 2-year institutions was the result of opening new campuses and multiple 2-year campuses transitioning to 4-year, degree-granting regional institutions. Within the private sector, the change in numbers included the opening of new institutions, the transition of private 2-year institutions to 4-year institutions, mergers. In Table 24 I document total enrollment in Ohio higher education, enrollment changes among higher education sectors, and the corresponding percentage of total enrollment for each sector during my study time period.

Overall, student enrollment in higher education increased 20% between 1980 and 2006. Private higher education enrollment increased by 38% while enrollment in public

higher education increased by only 16%. Furthermore, private higher education's share of 4-year institution enrollments increased from 17.6% in 1980 to 32.6% in 2006. However, enrollment in public, 4-year institutions remained rather stagnant, growing only 10%, despite an increase in the number of institutions (IPEDS, 2006).

Table 24

Enrollment Overview, 1980-2006

Year	Total ^a	Public 4-Year		Public 2-Year		Private 4-Year	
		Enrolled ^a	%	Enrolled ^a	%	Enrolled ^a	%
1980	490	255	52.0%	137	28.0%	98	20.0%
2006	589	280	47.5%	174	29.5%	135	23.0%

Note. Data from IPEDS (2006).

^a Enrollment reported in thousands of students.

With regard to Zumeta's (1996) scheme, the long history and number of higher education institutions, particularly private institutions, serves as a further indicator of Ohio's hybrid central-planning/market competitive policy posture toward private higher education. Zumeta (1996) stated that central-planning-oriented states generally have larger independent sectors that are heavily involved in policymaking for the state's higher education system. In the following section I turn to private higher education in Ohio.

Private Higher Education

In 1980 there were 62 private, not-for-profit, 4-year degree-granting institutions of higher education operating in Ohio (IPEDS, 2006). During the next 26 years as many as 83 private, not-for-profit, 4-year degree-granting institutions enrolled students. Yet, by

2006 only 73 private, 4-year degree granting institutions were enrolling students. However, for the purpose of my research and to provide some level of comparative consistency, only those private, 4-year degree-granting, not-for-profit institutions accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools (NCS) were included in my study. Limiting my study to only those private institutions accredited by the HLC resulted in a total of 58 institutions as of 1980 and 67 institutions as of 2006 (Higher Learning Commission, 2007). Appendices A through C lists those HLC-accredited private institutions operating in Ohio in 1980, along with their founding year and religious affiliation where appropriate.

Two institutions reported substantial changes during the study time period. Edgecliff College in Cincinnati merged with Xavier University in 1980, and Borromeo College of Ohio, located in Cleveland, closed in 1991 (Higher Learning Commission, 2007). The University of Rio Grande, formerly Rio Grande College, also merits attention due to its 1978 merger with Rio Grande Community College and subsequent change to the current name in 1989 (Higher Learning Commission, 2007). Additionally, 15 institutions changed their names during this time period. Most of these were changing the institution's name from college to university, for example, Ashland College to Ashland University and Mount Vernon Nazarene College to Mount Vernon Nazarene University. Name changes such as these appeared to be part of institutional efforts to re-brand the institution, increase the profile of the institution, and attract a wider range of students.

Other institutions experienced more substantial names changes, including Dyke College which changed to David N. Myers University in 2001; Cincinnati Bible College and Seminary which changed to Cincinnati Christian University in 2004; Circleville

Bible College which changed to Ohio Christian University in 2006; and Union for Experimenting Colleges and Universities/University Without Walls and Union Graduate School to Union Institute in 1989 and then to Union Institute & University in 2001 (Higher Learning Commission, 2007). There were 15 more private, 4-year degree-granting, not-for-profit institutions enrolled students in 2006 than in 1980 (IPEDS, 2006). Of these, 11 institutions were HLC-accredited and are listed in Appendix D along with their founding year and religious affiliation. Two of these institutions, Kettering College of Medical Arts and Lourdes Colleges, were 2-year degree-granting institutions that expanded to 4-year undergraduate programs during the study time period (IPEDS, 2006).

Table 25

Religious Affiliation of Ohio's Private Institutions

Affiliation	Total	%
No Affiliation	25	36.2%
Roman Catholic	16	23.2%
United Methodist Church	7	10.1%
United Church of Christ	2	2.8%
Evangelical Lutheran Church	2	2.8%
Friends Church	2	2.8%
Jewish	2	2.8%
Other	13	18.8%

Note. Data from IPEDS (2006).

Ohio's private higher education institutions were also affiliated with a wide range of faith traditions. In Table 25 I report the largest categories of religious affiliation for the Ohio private institutions included in my study.

Table 26

Highest Degree Offered

Degree	Total	%
Bachelor's	14	21.0%
Master's	38	54.0%
Post-Master's Certificate	4	6.0%
Doctorate	12	18.0%
First Professional Programs	1	1.0%

Note. Data from IPEDS (2006).

Enrollment history and demographics

Over the past 26 years private higher education in Ohio has experienced dramatic growth in enrollment (see Table 24). The Association of Independent Colleges and Universities of Ohio (AICUO) noted that in 1986 private higher education accounted for only 26% of Ohio's 4-year undergraduate enrollment. By 2004 the percentage of undergraduate students enrolled in Ohio's private higher education institutions had increased to 33%. AICUO also noted that during this same 17-year period, actual numbers of students enrolled in private higher education member institutions increased from 86,909 students to over 127,800 (AICUO, 2004b). Taken together, this data suggested a strong upward trend in private higher education enrollment in Ohio that I

further explored through use of the enrollment data for private institutions collected by the National Center for Education Statistics (NCES) Integrated Postsecondary Educational Data System (IPEDS).

The IPEDS data for private higher education enrollments was analyzed for the academic years of 1980-1981, 1984-1985, 1988-1989, 1992-1993, 1996-1997, 2000-2001, 2004-2005, and 2006-2007. A closer exploration of Ohio's private higher education enrollment trends showed that Edgecliff College merged with Xavier University in July 1980 and did not report an enrollment for the fall 1980 semester. Borromeo College of Ohio closed in 1991, and the property was acquired by John Carroll University. In 1980 Borromeo enrolled 97 students but by 1990, the final year of independent operation, enrollment had declined to only 54 students. Furthermore, six institutions either did not enroll undergraduate students or enrolled only undergraduates for a limited number of years.

Hebrew Union College, Methodist Theological School-Ohio, Ohio College of Podiatric Medicine, Trinity Lutheran Seminary, United Theological Seminary, and Antioch University PhD program in Leadership and Change did not enroll undergraduate students during the study time period (IPEDS, 2006). Winebrenner Theological Seminary enrolled undergraduates for a time; however, enrollment reached its height in 2000 at 54 total students. Furthermore, in the early to mid-1980s the Cincinnati College of Mortuary Science, God's Bible School and College, and Antioch University McGregor began enrolling undergraduate students; however, their combined contribution to Ohio's private higher education undergraduate enrollment was never higher than the 790 students enrolled in 1996 (IPEDS, 1996).

The remaining 56 private institutions accounted for 98.6% of all private, 4-year degree-granting institution enrollments in 1980. By 2006 these same 56 institutions accounted for 99.1% of all private higher education enrollments in Ohio (IPEDS, 2006). Appendix E reports the undergraduate enrollment for each of the private higher education institutions included in my study for the years 1980 to 2006.

IPEDS data was also used to explore enrollment trends specific to changes in undergraduate student demographics. Table 27 provides a snapshot of changes in the gender distribution of private higher education enrollments between 1980 and 2006. Appendix F offers a more detailed exploration of the changing gender distribution throughout my study time period.

Table 27

Gender Distribution in Private Institution Enrollment

Year	1980		2006	
	Men	Women	Men	Women
Total Enrollment	50.4%	49.6%	43.1%	56.9%
Undergraduate Enrollment	42.4%	57.6%	43.3%	56.7%

Note. Data from IPEDS (2006).

Both Table 27 and Appendix E highlight the significant shift toward female undergraduate enrollment in Ohio higher education during my study time period. Furthermore, the shift toward greater female enrollment in Ohio was consistent with national trends during the same time period (IPEDS, 2006).

Two other demographic changes occurred during the study time-frame and merit discussion. First, the declining percentage of White, non-Hispanics enrolled is

noteworthy as it highlights the changing demographics within Ohio. Table 28 reports private higher education enrollment by race/ethnicity with specific attention given to the four largest classifications (see also Appendix F). In Table 28 I compare data from 1980 and 2006 with regard to all students enrolled in private higher education as well as only undergraduate students. The percentages reported are of the total number of enrolled students.

Table 28

Race/Ethnicity Distribution of Private Institution Enrollment

		White, Non-Hispanic		Black, Non-Hispanic		Hispanic		Asian	
Level	Total	#	%	#	%	#	%	#	%
1980									
All	96,498	83,942	87.0%	8,514	8.8%	884	0.9%	864	0.9%
Undergrad	75,830	66,423	87.6%	6,745	8.9%	610	0.8%	496	0.7%
2006									
All	137,095	103,824	75.7%	12,104	8.8%	2,487	1.8%	3,029	2.2%
Undergrad	106,876	82,095	76.8%	9,358	8.8%	2,075	1.9%	2,166	2.0%

Note. Data from IPEDS (2006).

The decline in the percentage of White, non-Hispanic-enrolled in private higher education was not a result of a declining number of White students enrolling but increases among other groups and changes in how students self identified their race/ethnicity. Beginning in 1992, the National Center for Education Statistics (NCES) reported data on the number of students with race/ethnicity “unknown”. The 1992 IPEDS enrollment data first collected information about those students for whom their race or

ethnicity was not known. More specifically, IPEDS noted that this particular category was only used in cases when the responding student did not select a race or ethnicity and the institution found it impossible to place the student in a pre-determined category. In Table 29 I show the change in the number of students failing to report their race/ethnicity between 1992 and 2006 (see also Appendix F).

Table 29

Enrolled Persons Not Reporting Race or Ethnicity, 1992-2006

Year	Level	Total	Not Reporting	
			#	%
1992	All	133,440	6,525	4.9%
	Undergrad	106,167	2,979	2.8%
2006	All	159,233	12,544	7.9%
	Undergrad	123,041	9,865	8.0%

Note. Data from IPEDS (2007).

While I was not able to determine the reason for the increase in the percentage of students not reporting, it clear that this increase affected the presentation of student demographics in Ohio's private institutions. Additionally, increases in the number of students reporting as non-resident aliens also increased over my study's time period. This increase is presented in Table 30 and Appendix F. The increases of non-resident aliens and students failing to report their race or ethnicity serve to further highlight the continued diversification of Ohio's private institution's enrollments.

Table 30

Enrolled Persons Reporting Non-Resident Alien

Year	Level	Total	Unknown	
			#	%
1980	All	96,498	6,525	4.9%
	Undergrad	75,830	2,979	2.8%
2006	All	159,233	12,544	7.9%
	Undergrad	123,041	9,865	8.0%

Note. Data from IPEDS (2007).

Together, the enrollment changes in Ohio's private higher education sector followed changes taking place in the state's general population during my study time period. Additionally, the increasing presence of Ohio women in higher education followed national trends. However, the increased diversification of this sector's student body also meant greater stratification of family economic backgrounds, increased first-generation students, and institutional need for additional fiscal, personnel, and physical plant resources to accommodate growing enrollments.

Tuition History of Private Institutions

Tuition data for Ohio's private higher education institutions was also collected from the National Center for Education Statistics IPEDS database. As I have previously noted, Ohio's total number of private higher education institutions in 1980 was 58; however, tuition data for each was not reported in IPEDS. By 2006 the total number of institutions had increased to 69; however, only tuition data for 61 of these institutions

was reported in IPEDS (2006). Therefore, I also analyzed annual tuition data for 61 of the 69 private higher education institutions operating in Ohio as of 2006.

In 1980 the average annual tuition for full-time enrolled undergraduate students was \$3,423 (IPEDS, 2006). Franklin University, in Columbus, reported the lowest annual tuition rate at \$1,620 for full-time undergraduate students. Oberlin College, in north central Ohio, reported the highest undergraduate annual tuition rate at \$5,575. The average annual undergraduate tuition of all 61 of Ohio's private institutions in 2006 was \$18,621, with God's Bible School reporting the lowest tuition at \$4,200 and Kenyon College the highest tuition at \$34,990.

The data showed that between 1980 and 2006 the average annual price of for a full time undergraduate student enrolled in an Ohio private higher education institution rose from \$3,181 to \$18,621 or 485%. The time period of 1980 to 1984 reported the highest percentage change in average annual tuition rates, with an increase of 49.97%. The 1996 to 2000 time period reported the lowest 4-year percentage change in annual tuition for all institutions with an increase of only 18%. These two data sets show that the increase in private higher education institutions between 1980 and 2006 had a net effect of lowering the average cost of tuition in the private sector. Table 30 shows the average annual tuition rate of all private higher education institutions operating in Ohio between 1980 and 2006 and Appendix H reports a 4-year interval of the 1980-2006 tuition history for all private higher education institutions included in my study.

Table 31

Ohio Private Institution Annual Tuition Change, 1980 – 2006

	1980	1984	1988	1992	1996	2000	2004	2006
Average Tuition	\$3,181	\$4,770	\$ 6,837	\$ 9,223	\$ 11,029	\$ 13,027	\$ 16,672	\$ 18,621
# of Institutions	56	54	53	52	56	59	61	61
% Change in Tuition								
Years	1980	1984	1988	1992	1996	2000	2004	2006
4 years	-	49.97%	43.34%	34.90%	19.57%	18.12%	27.98%	11.69%*
8 years	-	-	114.97%	93.37%	61.31%	41.24%	51.17%	42.94%*
12 years	-	-	-	190.00%	131.23%	90.53%	80.76%	68.84%
16 years	-	-	-	-	246.77%	173.11%	143.85%	101.89%*
20 years	-	-	-	-	-	309.59%	249.54%	172.35%
24 years	-	-	-	-	-	-	424.20%	290.40%*
26 years	-	-	-	-	-	-	-	485.48%*

Note: Data is from National Center for Education Statistics Integrated Postsecondary Education Data System (2006). See Appendix G for a complete history of tuition for Ohio's private higher education institutions between 1980 and 2006.

* Denotes a change of 2 years, 6 years, 10 years, 14 years, 18 years and 22 years respectively.

During this same time the average tuition at Ohio's 4-year state institutions rose by 466%. In 1980 there were 12 4-year degree-granting state institutions in Ohio with an average in-state undergraduate tuition of \$1,059. By 2006 the number of 4-year degree-granting state institutions had increased to 26, and the average in-state undergraduate tuition had increased to \$6,254. Moreover, the data showed that in 1980 the average in-

state full-time undergraduate tuition at a state institution was 33.3% of the private institution average. As of 2006 this ratio remained in place with the average in-state full-time undergraduate tuition at a state institution reported at 33.6% of the private institution average (IPEDS, 2006).

Between 1980 and 2006 the number and diversity of Ohio's private higher education institutions increased. Most of these institutions provided the residents of Ohio with academic programs at the Master's degree level or higher and a wide range of religious affiliations to support the needs and interests of Ohio students. Throughout the time period of my study, this sector experienced enrollment growth. In fact, private higher education enrollments increased by almost 47% during these 26 years. However, annual tuition levels for this sector increased a dramatic 485%. Although this was only slightly higher than annual tuition increases in the public sector, private higher education's higher annual tuition rates, coupled with stagnating personal incomes and rising personal taxes, make the enrollment growth in this sector surprising.

The disparity between public and private higher education annual tuition levels also provides additional support to Zumeta's (1996) central-planning/market competitive classification of Ohio's policy posture. While annual tuition levels in both sectors increased at about the same pace, there remained a significant difference in the average tuition level. In fact, Zumeta argued that central-planning states tend to have moderate to high public tuition levels coupled with high levels of spending on student aid. Additionally, he noted that central planning states provide less direct funding to private higher education. However, Zumeta also noted that in states with a market competitive posture, private higher education often had equal opportunity to secure direct state

funding to address identified state needs and promote evenhanded competition.

Therefore, I explored private higher education's revenues and expenditures to better understand Zumeta's (1996) classification of Ohio's policy posture as central-planning/market competitive.

Private Institution Revenue and Expenditures

Private higher education institutions in Ohio consistently reported budget data to the National Center for Education Statistics beginning in 1988. Prior to 1988 these data were available only through direct contact with the institutions and, therefore, I did not seek out this information.

Revenues Sources

Zumeta's (1996) scheme for evaluating state policy impact on private higher education called for the exploration of institutional operational budgets, with particular emphasis on direct state payments to private institutions. However, Zumeta's scheme also calls for data collected through use of a survey instrument that Zumeta created. I did not use his survey instrument for my research and, therefore, I had to collect state aid data through other methods. As a result, I analyzed institution-reported data from IPEDS to support my discussion of direct state aid trends beginning with the 1988-1989 academic year, also referred to as fiscal year 1989.

My research analyzed revenue for Ohio's private institutions classified in the following categories by the National Center for Education Statistics: (1) tuition and fees; (2) federal, state, and local direct appropriations; (3) federal, state, and local grants and contracts; (4) private gifts, grants, and contracts; (5) contributions from affiliated entities; (6) investment returns; (7) sales and services of educational activities; and (8) sales and

services of auxiliary enterprises (IPEDS, 2006). Institutional revenue data for these categories is presented in Table 32; however, not all institutions reported data. Therefore, the percentages for each year reported do not add up to 100%

Table 32

Private Institution Sources of Revenue, 1988-2004

Revenue Sources	1988	1992	1996	2000	2004
Average Revenue (in millions)	\$20.8	\$27.1	\$40.4	\$33.1	\$50.5
Tuition	51.26%	54.96%	34.90%	52.69%	42.40%
Federal Appropriations	0.77%	-	6.58%	3.10%	0.44%
State Appropriations	11.35%	3.87%	6.87%	6.21%	3.04%
Federal Grants & Contracts	13.12%	13.42%	11.00%	15.07%	14.87%
State Grants & Contracts	2.92%	2.81%	2.15%	2.11%	1.53%
Local Grants & Contracts	0.56%	1.19%	0.97%	0.89%	1.08%
Private Gifts, Contracts	10.02%	9.50%	17.26%	24.57%	13.15%
Endowment Income	6.89%	5.03%	25.96%	-9.81%	16.41%
Sales & Services of Ed. Activities	0.47%	0.62%	3.45%	1.52%	1.71%
Auxiliary Enterprises	16.28%	15.00%	11.96%	17.19%	-
Hospitals	2.81%	-	2.13%	-	-
Other Sources	3.53%	2.73%	-	-	-
Independent Operations	7.42%	1.49%	-	-	-

Note: Data is from National Center for Education Statistics IPEDS (2006).

In 1988 Ohio's private institutions collected over \$1.27 billion in revenues, with an average of just under \$21 million per institution. The Cincinnati College of Mortuary Sciences reported the lowest total revenue with only \$585,000 collected. Case Western Reserve University (Case Western) reported the highest total revenues at \$227.5 million, followed by the University of Dayton at \$133 million, Oberlin College at \$70.6 million and Xavier University at \$43.5 million.

Generally, the single largest source of revenue for Ohio's private institutions was tuition and fees; however, both Case Western and the University of Dayton received substantial dollars from federal grants and contracts as well as through private grants, contracts and gifts. A total of four institutions received direct federal appropriations, and 53 institutions reported having received federal funding through grants or contracts. Four institutions also reported having received direct state appropriations, and 40 institutions reported receiving funding through state grants and contracts. Of those receiving funding through state grants and contracts the average amount received was \$607,000. Case Western received the highest amount at over \$4.12 million, while the Cincinnati College of Mortuary Science received the lowest grant and contract aid from the state at \$16,600.

Four institutions also reported receiving funding through local grants and contracts, with an additional 59 reporting receipt of funding through private gifts, grants and contracts. Additionally, 57 of the 61 institutions reported revenue collections through auxiliary enterprises such as campus housing and dining services. Finally, 53 institutions reported over \$73 million in revenue produced through the endowment, with an average of \$1.435 million.

By 2004 total revenues for Ohio's private institutions had increased by 163% to \$3.33 billion (IPEDS, 2006). Temple Baptist College reported the lowest total revenue at just under \$900,000, with the Cincinnati College of Mortuary Sciences reporting the second lowest total revenue at \$1.7 million. As in 1988 the top four institutions in terms of total revenue were Case Western at \$793 million, the University of Dayton at \$317 million, Oberlin College at \$173 million, and Xavier University at \$129.7 million.

Tuition and fees accounted for the greater portion of revenue collected by institutions and averaged approximately \$21.434 million. The leading institutions, in terms of tuition and fees collection, were Case Western at \$126 million, the University of Dayton \$122 million, Xavier University \$67 million, and Ashland University \$57 million. Despite being in the top four institutions for total revenues, Oberlin College collected only \$51 million in tuition and fees in 2004. Furthermore, and in line with the data reported in 1988, both Case Western Reserve University and the University of Dayton report having received substantial revenues through federal and state contracts. In fact, almost 40% of Case Western's total revenues and 20% of the University of Dayton's total revenues in 2004 came from federal grants and contracts.

A total of 55 institutions, including Case Western and the University of Dayton, reported revenues from federal grants and contracts. 30 institutions reported revenue from state grants and contracts averaging \$795,000. Once again, Case Western topped the list with over \$10.59 million in grant and contract aid from the state. An additional five institutions also reported revenue stemming from local grants and contracts. Revenue from private gifts, grants and contracts were reported by 65 institutions and totaled \$432

million, or just under \$6.65 million per institution. Case Western, the University of Dayton, Xavier University, and Oberlin College were also the top four institutions in this revenue category. 56 institutions also reported revenue from auxiliary enterprises, and 63 reported revenue from investment returns

Institution Expenditures

As with revenues, IPEDS data was used to analyze Ohio's private institutions' expenditures between 1988 and 2004. Expenditure data was categorized as follows: (1) instruction; (2) research; (3) public service; (4) academic support; (5) student services; (6) institutional support; (7) operation and maintenance of physical plant; (8) scholarships and fellowships; (9) auxiliary enterprises; and (10) salaries and wages for educational and general expenditures. Of these 10 categories, salaries and wages comprised the largest percentage of institutional expenditures, followed by instruction, research, scholarship and fellowships, institutional support, and auxiliary enterprises. However, IPEDS noted that "scholarships and fellowship expenses include only student aid recognized as expenses in [an institution's] general purpose financial statements" (IPEDS, 2008). More specifically, the IPEDS data dictionary clarified that the majority of student awards were reported as either agency transactions or scholarship allowances, not as expenses. Therefore, IPEDS data did not accurately reflect the impact of financial aid on a given institution's overall budget expenditures because only institutional expenses that went directly to students for the purpose of obtaining goods or services not provided by the institution were included in this category, such as off-campus room and board expenses (IPEDS, 2008). I present aggregate institutional expenditure data in Table 33; however,

not all institutions reported data. Therefore, the percentages for each year reported do not add up to 100%.

Table 33

Private Institution Expenditures, 1988-2004

Expenditures	1988	1992	1996	2000	2004
Average Expenditures (in millions)	\$20.30	\$26.70	\$28.80	\$35.90	\$44.40
Instruction	26.50%	26.40%	24.20%	38.20%	31.70%
Research ^a	26.60%	30.40%	29.40%	51.10%	48.40%
Public Service	1.50%	1.40%	1.10%	1.80%	9.30%
Academic Support	7.10%	6.30%	5.40%	8.60%	6.70%
Student Service	6.40%	6.80%	6.40%	10.30%	8.40%
Institutional Support	11.50%	11.40%	10.30%	19.10%	14.80%
Physical Plant	7.40%	6.70%	5.50%	-	-
Scholarship & Fellowships	16.40%	2.90%	-	-	-
Independent Operations	-	89.00%	-	0.60%	1.80%
Auxiliary Enterprises	14.60%	13.20%	11.20%	16.20%	14.70%
Hospitals	15.50%	-	3.70%	-	0.80%
Salaries & Wages	36.90%	45.30%	-	47.70%	37.00%

Note: Data is from National Center for Education Statistics Integrated Postsecondary Education Data

System (2006).

^a Only 17 institutions reported research expenditures.

In 1988 61 of Ohio's private institutions of higher education recorded \$1.243 billion in expenditures, with an average of \$20.3 million per institution (IPEDS, 1988). Surprisingly, only 17 institutions reported financial resources used for research, and only Case Western and the University of Dayton reported expenditures in this category greater than \$1 million. More specific to individual institutions, Case Western reported the largest amount of expenditures at \$227 million with the University of Dayton reporting the second largest amount of expenditures at \$123.8 million. Oberlin College and Xavier University rounded out the top four in terms of expenditures, reporting \$70.5 and \$43.3 million in expenditures respectively. At the other end of the spectrum of expenditures, the Cincinnati College of Mortuary Sciences reported only \$500,000 in expenditures.

By 2004 total institutional expenditures had increased by 173.73% to \$2.931 billion with an average institutional increase of 117.95% to \$44.421 million (IPEDS, 2004). As with the 1988 data, the 66 institutions for which data were collected reported that salaries and wages were the largest expense. Instruction expenditures, the second highest average expenditure was followed by institutional support with student aid accounted for the majority of the remaining expenses (IPEDS, 2006). Furthermore, 17 institutions also reported specific expenditures related to research; however, Case Western's use of \$337 million coupled with the University of Dayton's \$66.5 million for research skewed this smaller data set.

My exploration of private higher education revenue sources and expenditures gives further indication that Ohio's policy posture incorporates market-competitive aspects as suggested by Zumeta (1996). More specifically, the presence of state grants and contracts as a revenue source indicates that private higher education developed a

relationship with Ohio's government that resulted in direct payments to certain institutions. More specifically, a small number of institutions received substantial funding from the state to support programs and services that helped to address state needs. This section also provides support to Zumeta's (1996) central-planning classification in that a majority of Ohio's private institutions were recipients of state aid to support student enrollment and, as I will discuss later, funding for state initiatives such as the Third Frontier Project. I turn now to the indirect ways that Ohio provides financial support to private higher education.

Tax Exemptions and Institutional Expenditures

Tax exemptions are one way that states provide financial support to private higher education (Zumeta, 1996). Therefore, this section reports on findings that provide partial answers to Question Two of my research, which asked how historical factors influenced the design of Ohio's governance structure and fiscal support to the private sector. Additionally, this section also provides partial answers to Question Four of my study, which explored the funding mechanisms and policies affecting private higher education.

As I have previously noted, in addition to the limitation of IPEDS data with respect to student aid accounting measures, IPEDS data did not include information about the dollars saved by individual institutions in light of state property and sales tax exemptions for educational institutions. Section 501 (c)(3) of the Internal Revenue Code provides that an organization must be operated, and organized, exclusively for exempt purposes, such as religious, charitable, or educational activities. This section also noted that such organizations must be non-profit, and that they may not as a substantial part of

their organizational activities attempt to influence legislation or participate for or against political candidates (Internal Revenue Service, 2007).

The Ohio Revised Code, Title LVII on Taxation, specifically cited the Internal Revenue's Code, section 501(c)(3) when noting that that "buildings and lands [that] are supervised or otherwise under the control, directly or indirectly, of an organization that is exempt from federal income taxation under section 501(c)(3)" were also tax exempt in the state. The Revised Code further stated that "the following property shall be exempt from taxation: (3) Real property owned and operated by a church...may be made available by the church on a limited basis to charitable and educational institutions if the property is not leased or otherwise made available with a view to profit." Finally, section 5709.04 of the Ohio Revised Code (2006) also stated that "money, credits, investments, deposits, and other intangible property, either legally or beneficially, to corporations...organized and operated exclusively for religious...[or] educational purposes...shall not be subject to taxation" (2006). However, despite these indicators that Ohio's private higher education institutions were tax exempt, determining the actual benefit of such exemption was difficult.

Sobul (2005), as part of an exploration of K-12 school district funding via property taxation in Ohio, identified two types of property tax categories: real property and business personal tangible property. Sobul stated that property rates were reported in terms of mills, where one mill equaled one tenth of one percent, or, as explained by the Ohio Department of Taxation, one mill equal \$1 per \$1,000 of taxable value (Ohio Department of Taxation, 2000). Real property was identified by Sobul as either residential/agricultural or commercial/industrial. He also stated that business personal

tangible property was distributed into two categories, either as property of public utilities or commercial property. Additionally, Sobul stated that in Ohio real property had a tax assessment rate of 35% of its true or market value, and tangible property had a tax assessment rate of 25% of its true or market value. These tax assessment rates provided the portion of a given property type that each county taxed at its respective millage. I used these tax assessment rates in combination with information obtained from the Department of Taxation to establish a basic foundation from which I estimated the property tax exemption benefit provided by the state to private higher education. I analyzed private institutions in Cuyahoga, Franklin and Hamilton counties due to the population size and number of private institutions operating in each county.

The National Center for Education Statistics (NCES) reported land and building values for the years 1988, 1990, 1992, and 1994. These data were reported by individual institutions and did not include information about tax assessment rates or property valuation based on county tax information. However, the Ohio Department of Taxation produced an annual report that provided information about county-specific exempt property values along with reporting property type tax millage rates by county. One category within this report, “Schools, Colleges and Academies”, provided summary values for privately-owned educational facilities within the respective county. A limitation of this data set was that it included property owned and controlled by K-12 private educational institutions as well as private higher education institutions. However, when used jointly with the NCES data reported through IPEDS, it provided some insight regarding the savings benefit for private institutions from not having to pay real property taxes. Nevertheless, determining the actual savings because of property tax exemption

was limited because property values reported by institutions to NCES overlap calendar years, and millage rates reported by Ohio were calendar-year specific.

As I previously stated, I analyzed data for private institutions in Cuyahoga, Franklin, and Hamilton counties for the fiscal years 1988-89, 1990-91, 1992-93, and 1994-95. I collected data for 10 Cuyahoga institutions, 8 Franklin institution, and 10 institutions in Hamilton County through IPEDS (2006). For each institution I collected data on land value along with book value and replacement value of college-owned property for the fiscal year. This information was then combined with the commercial property tax millage rate for the county, taking into account the 35% assessment rate to determine the estimated collective property tax savings for the private institutions in the given county. Table 34 reports these findings.

Table 34

Property Tax Saving by Private Institutions (in millions), 1988-1994

Fiscal Year	Cuyahoga County		Franklin County		Hamilton County	
	# of Institutions	Estimated Savings	# of Institutions	Estimated Savings	# of Institutions	Estimated Savings
1988	8	\$ 6.5	8	\$1.5	10	\$2.0
1990	8	\$ 7.7	8	\$1.8	10	\$2.0
1994	8	\$11.7	8	\$2.5	10	\$2.3

Note. Data from IPEDS (2006).

Private institutions in Cuyahoga County included Baldwin-Wallace, Case Western Reserve University, John Carroll University, Notre Dame College, and Ursuline College as well as a few smaller religious or seminary institutions and art institutes. Private institutions in Franklin County included Capital University, Franklin College,

Ohio Dominican University, and Otterbein College, as well as the Columbus College of Art and Design, two seminaries and a nursing college. The College of Mount St. Joseph and Xavier University were the largest private institutions in the county, along with the Art Academy, Cincinnati College of Mortuary Science, and multiple smaller, seminary-type institutions. Taken together, private institutions in these three counties reported an estimated property tax savings of \$10.117 million in 1988-89, with an increase to \$16.517 million in 1994-95.

Beyond 1994 the only data analyzed were available through the Ohio Department of Taxation. Estimated property tax savings for each county was generated by multiplying the millage rate by the reported total value of exempt property owned by private educational institutions in the county. However, the property values considered included K-12 and, therefore, were of greater value than those analyzed between 1988 and 1994. Table 35 reports the findings for this data set.

Table 35

Property Tax Saving by Private Institutions (in millions), 1998-2000

Fiscal Year	Cuyahoga County		Franklin County		Hamilton County	
	Tax Exempt Property	Estimated Savings	Tax Exempt Property	Estimated Savings	Tax Exempt Property	Estimated Savings
1998	\$194.6	\$13.2	\$511.1	\$32.4	\$66.2	\$ 4.1
2000	\$258.9	\$18.0	\$566.2	\$36.0	\$94.1	\$ 5.7
2006	\$463.2	\$36.3	\$1,087.1	\$73.8	\$175.5	\$11.3

Note. Data from the Ohio Department of Taxation (2005, 2006, 2007a, 2007b).

Table 35 showed that each county reported gains in exempted real property values throughout the study time period and, in turn, the private institutions saved substantial

amounts which otherwise would have limited operational budgets. Clearly, the impact of property tax exemption was a significant factor in the financial strength and stability of Ohio's private institutions. Moreover, my research did not consider data on tangible property tax exemptions or the impact of sales tax exemptions, which also provided fiscal benefit to the private higher education sector. Even with these limitations, and considering that the data I analyzed often included K-12 private property values, it was evident that this tax benefit was a major, if silent and sometimes over-looked, state benefit to private higher education.

In this section I explored private higher education in Ohio, the enrollment and tuition trends of this sector, and the financial workings of this sector's institutions. My exploration revealed a private higher education sector with a long and strong history in Ohio, strong enrollment growth during my study time period, and a financial picture that clearly involved the support of Ohio's government systems. Zumeta (1996) argued that Ohio policy posture toward private higher education was a hybrid of his central-planning/market-competitive posture. As I discussed in this section, I found evidence that supports his description in each of the areas I explored. Therefore, I turn now to discuss Ohio's higher education governance structure and the relationship of this structure to private higher education.

Ohio Higher Education Governance

Ohio's higher education governance structure is made up of a collection of agencies, individuals, and institutions. Schick (1992) identified Ohio's higher education governance structure as a coordinating board and Zumeta (1996) also suggested that Ohio should have a regulatory coordinating board governance structure. McGuinness (2002)

provided further description of Ohio's higher education governance structure when he described it as a

complex system of institutional governance, including some multi-campus systems with governing boards and some individual institutions with governing boards. The state-level board [also known as the Board of Regents was] responsible for coordinating the whole system of education in Ohio. (p. 8)

As previously noted, the Governor of Ohio plays a relatively significant role in establishing broad vision and direction for the state's system, while responsibility for actualizing that vision rests with the Ohio Board of Regents and the state's institutions, both public and private. My research showed that the Ohio Legislature, along with state departments such as the Board of Education, the Ohio Board of Regents, and the Office of Budget and Management, is substantially involved in broad-based conversation and governance of higher education in the state. Furthermore, Governor-appointed task forces and commissions, along with state lobby organizations and the institutions themselves, played a role in discussions about and setting direction for the state's higher education institutions.

However, no discussion of involvement from any of these entities is appropriate without first having explored the Ohio Revised Code and Ohio Administrative Code, which document which powers and responsibilities are given to which entities. Moreover, my exploration of these structures and the corresponding findings reported in this section provide answers to the following research questions in my study: (1) Question Two, regarding historical factors influencing the Ohio's higher education governance structure and financial support; (2) Question Three, regarding Ohio's policy posture toward private higher education; and (3) Question Five, regarding the extent of private higher education

incorporation into statewide planning and implementation of Ohio's higher education delivery system. With this in mind, I used the 2006 Ohio Revised Code to provide specific information in support of the classification of Ohio as a coordinating board.

The Ohio Revised Code was reviewed by me to identify the purpose, membership, authority and overarching strategies used by Ohio to provide oversight of the state's postsecondary education system, including private, 4-year, degree-granting institutions. More specifically, Title XXXIII, Chapter 3333 of the Ohio Revised Code provides an overview of Ohio's higher education governance structure and articulates the general powers and scope of authority of the State Board of Regents, including the specific powers of the Board in relation to private postsecondary education. However, there was less discussion in the Revised Code about the Ohio Board of Regents' role with private higher education than there was about its role in the public sector of higher education. Nevertheless, Ohio's governance structure did demonstrate intentional incorporation of private higher education and, in turn, has led that structure to be described as a "stable, relatively successful example of a state structure with predominantly autonomous [public postsecondary] institutions" (Schick, 1992, p. 67). Understanding this description requires a discussion of the major components of this governance structure, with primary emphasis on the Ohio Board of Regents and its authority to govern Ohio's higher education institutions.

The Ohio Board of Regents

The Ohio Board of Regents, a nine-member panel appointed by the governor to nonrenewable 9-year terms in office, was established in 1963 to serve as the statutory

coordinating agency of higher education in the state. The stated goals of the Ohio Board of Regents are to

advocate for and recommend how to best direct the state's current \$2.6 billion investment in higher education; work with the State Board of Education through the Joint Council to develop a seamless primary, secondary and higher education system to prepare citizens for the challenges of the 21st century; authorize and approve new degree programs; manage state-funded financial aid programs for students; and develop and advocate policies to maximize higher education's contributions to the State and its citizens. (OBR, 2004b, p. ii)

Said another way, the Board of Regents has responsibility for approving new degree programs, administering state higher education funds, and authorizing private and out-of-state campuses to operate in Ohio. The Board selects and hires a Chancellor to direct the daily operations of the Board and its staff. Although the Ohio Board of Regents is not recognized by cabinet-level status within the state of Ohio, the two most recent Governors have specifically invited the Chancellor of the Ohio Board of Regents to participate fully in cabinet functions.

The Ohio Board of Regents has statutory authority for the planning and coordination for technical and community colleges, state institutions, and private colleges and universities. Furthermore, the Board has statutory responsibility to review institutional requests for state support, review and make budget recommendations, and approve programs for all postsecondary institutions in the state (ORC 3333). Schick et al. (1992), as well as McGuinness (1999), identified Ohio's higher education governance structure as a coordinating board, with McGuinness more specifically defining the structure as a regulatory coordinating board. The Ohio Revised Code provided a specific example of the classification of Ohio's coordinating structure, including its membership,

purpose, and the strategies used to provide comprehensive oversight to the Ohio's postsecondary education system.

More specifically, Title XXXIII, Chapter 3333, of the Ohio Revised Code provided an overview of Ohio's higher education governance structure and articulated the general powers and scope of authority of the Board of Regents, including the specific powers of the Board in relation to private postsecondary education. The Revised Code stated that the

Ohio board of regents shall make studies of state policy in the field of higher education and formulate a master plan for higher education in the state considering the needs of the people, the needs of the state, and the role of individual public and private institutions within the state in fulfilling these needs. (3333.04 A, O.R.C.)

The Revised Code further directed the Ohio Board of Regents to make recommendations regarding: (1) the establishment or elimination of academic programs; (2) the establishment of new institutions; (3) state biennial appropriations for higher education; and (4) the appointment of consortiums of college and university personnel to participate in the development and operation of statewide collaborative efforts.

In addition to these statute-based expectations, the Board of Regents also produced a number of planning documents from 1980 to 2006. These planning documents noted that the core values of Ohio higher education were 1) affordable access to higher education, 2) high quality learning experiences that help students develop to their fullest extent, 3) basic and applied research that contributes to the knowledge and meets regional and state-wide needs, 4) services that help citizens, communities, regions, and the state, as well as businesses and industry, to meet their goals, and 5) effective, efficient use of limited resources and accountability for the use of public funds (Ohio

Board of Regents, 1996). The guiding values clearly reiterated the goals of the Board with respect to higher education from the early 1980s through 2006. The Board (1996) also noted that the state needed to “modify its current funding system to recognize the importance of mission-specific performance, and modify its current tuition policy in order to increase access and better differentiate campuses in the achievement” of master plan goals (p. 2).

By statute, the Ohio Board of Regents is the chief implementing and coordinating body of public education in the state of Ohio and focuses on high-level policy decisions. Furthermore, the Ohio Revised Code authorized the Board of Regents to “adopt such rules as are necessary to carry out its duties and responsibilities” (O.R.C. 3333.04 O, 2006). However, despite responsibility for authorizing the establishment and on-going operations of private colleges and universities in Ohio along with specific degree programs offered by such institutions, the Ohio Revised Code provided only limited direct attention to private postsecondary responsibilities for the Board (O.R.C. 3333.1.08, 2006). Chapter 3333.04 of the Ohio Revised Code provided some direction with respect to private higher education and stated that the Board of Regents shall “seek the cooperation and advice of the officers and trustees of both public and private colleges, universities, and other institutions of higher education in the state in performing its duties and making its plans, studies, and recommendations” (3333.04 k, 2006). However, while the Board of Regents did not have direct authority over private higher education, the Legislature expected the regents to include the state’s private higher education leadership in the planning and discussions about the state’s higher education system, goals, challenges, and opportunities. This expectation appeared to have been in place since the

founding of the Regents in 1963 and, as a result of this and other factors in the design of Ohio's Board of Regents not specific to private higher education, Ohio's higher educational governance structure had been referred to as a successful structure with autonomous institutions (Schick, 1992).

Further exploration of the Board of Regents was necessary to evaluate the relationship between Ohio and its private higher education institutions. More specifically, I specifically analyzed the Board of Regents documents to identify and evaluate specific policies identified by Zumeta (1996) as indicators of Ohio's policy toward and, to a certain extent, impact on private higher education. The policies evaluated in the following sections are 1) the authorization of private higher education institutions, 2) the authorization of new academic programs, 3) articulation and transfer of credits, and 4) information collection and management. I also used my analysis of these sections to evaluate the applicability of 3 policy posture indicators identified by Zumeta (1996): 1) the extent of private sector involvement in state higher education planning, 2) the absence or presence of duplication of private institution programs as a criterion in state review of public institutions' new program proposals, and 3) the extent of state mandates and regulation affecting private colleges and universities.

Authorization of private higher education institutions. One of the most substantial roles played by the Ohio Board of Regents with respect to private higher education is to coordinate the process by which private institutions receive and maintain certificates of authorization, as stipulated in section 1713.03 of the Ohio Revised Code and detailed in section 3333.1.08 of the Ohio Administrative Code. The Ohio Revised Code, Chapter 1713.02, stated that any entity meeting Ohio's statutory definition of institution under

section 1713.01 and is eligible to become incorporated under sections 1702.01 of the Ohio Revised Code is required to obtain a certificate of authorization from the Board of Regents before the entity could refer to itself as a college or university or confer degrees, diplomas, or other official declarations of proficiency or achievement of enrolled students (ORC, 2006). Therefore, the Board of Regents had clear statutory authority to authorize the establishment and operations of private higher education institutions in the state.

The legislature, in granting this authority to the Regents, stated that “teaching and scholarship” are the building blocks of Ohio’s higher education system and that institutions must focus on both. The legislature also stated that higher education should be organized and governed to allow teaching and scholarship to be freely pursued within each institution (OAC, 2006). Stated differently, the authorization process overseen by the Board of Regents is designed to ensure that those institutions operating in Ohio and the academic programs they offer adhere to regionally accepted standards, with sufficient faculty, facility, and staffing resources. This section of the Administrative Code also reinforced that the authorization process is designed to support academic freedom and to allow and encourage the intellectual development of enrolled students without censoring or limiting academic programs.

As I have previously noted, the requirement to obtain a certificate of authenticity was established for both public and private institutions of higher education operating in Ohio. However, one note-worthy difference in reauthorization requirements was established for private institutions. Specifically all independent institutions, both not-for-profit and proprietary, operating in the state are required by statute to be reviewed by the Board of Regents on a periodic basis (ORC, 1713, 2006; OAC, 3333.1.08, 2006). Public

institutions were exempt from this periodic review and, in turn, appeared to have a more secure operating foundation than those institutions in the private sector in this regard. Additionally, out-of-state private institutions and on-line universities also benefited from less regulation than those institutions based in Ohio (Sr. Francis Marie Thrailkill, interview, June 13, 2008).

While all institutions are also required to submit annual reports to the Board as a partial requirement for maintaining the certificate, the expectation of non-public institutions to participate in a periodic review places additional expectations and pressure on the private sector unequal to that of the public institutions. However, while the differentiation in oversight and regulation was a cause for concern for some private higher education leaders, Governor Taft noted that from his perspective the extent of state regulation for private higher education in general was very limited and “appropriate, in terms of assuring some level of quality for the consuming public, or students, of the state” (Robert Taft, interview, June 20, 2008). Dr. Larry Christman, former Association of Independent Colleges and Universities of Ohio (AICUO) president, also commented that private higher education “needs to differentiate between regulation and the request for information that are important for [the government’s] understanding that [private higher education] was using public funding in an appropriate and effective manner. [Government also must differentiate between] those regulations and requests that infringe upon institutional autonomy” (Larry Christman, interview, July 2, 2008).

In addition to the periodic review required for non-public institutions, the Board of Regents has authority to call for full reauthorizations of the certificate of authenticity when one or more of the following has occurred: 1) the institution had experienced a

change in accreditation status from a regional accrediting or professional program accrediting agency, 2) a senior official of the institution had been indicted for actions associated with his or her official capacity, 3) a senior officer of the institution had been dismissed for impropriety associated with his or her official capacity, or 4) for specific allegations of on-going operations or activities inconsistent with the Board of Regents authorization (OAC, 2006). Furthermore, the Board of Regents also holds the power to revoke a previously granted certificate of authenticity if one of the following two conditions were met: 1) the institution failed to maintain minimum standards required for initial granting of the certificate, or 2) the institution failed to obtain and/or retain regional or professional program specific accreditation within 6 years of the initial offering of instruction or within 3 years of having lost such accreditation (OAC 3333.1.15, 2006).

Authorization of new academic programs. Zumeta (1996) noted that a state's policy on new degree formation with respect to the level of consideration given to private institutions offering similar degrees was one of six indicators of the state's policy impact on private higher education. Therefore I briefly explored the process by which the proposal of new programs at state 2-year and 4-year institutions were considered by the Board of Regents. Questions Three, relating to identifying Ohio's policy posture toward private higher education, and Question Five, relating to the involvement of private higher education in state-wide planning, were partially answered by my analysis of this information.

Section 3333.04 of the Ohio Revised Code provided the Board with the authority to "approve or disapprove all new degrees and new degree programs at all state colleges,

universities, and other state-assisted institutions of higher education.” While this particular statute does not apply to most private higher education institutions, it does provide the statutory foundation upon which the state program approval process was based.

The Ohio Administrative Code Section 3333-1-04 outlined this process and stated that public institutions proposing new baccalaureate degree programs were required to include in the proposal research identifying the availability of “other such programs within a thirty-mile radius” along with the estimated number of students expected to enroll and the rationale for the new degree or degree program. The standards for approval of 2-year programs were not as stringent, while those for new doctoral degree programs were substantially more rigorous. Specifically, doctoral degree proposals were considered by the Board, with specific attention to whether such program needs could be otherwise met by existing doctoral degree programs in the state. Furthermore, the Ohio Administrative Code noted that when considering new doctoral programs the Board was assisted by an advisory committee on graduate study, which consisted of representation from each state institution as well as Case Western Reserve University and the University of Dayton, both of which are private institutions. The inclusion of these two institutions is notable in that it clearly demonstrated the state’s concern with program duplication in the private sector at the highest and most costly level of program delivery.

Articulation and transfer of credits. In 1989 the Chancellor of the Ohio Board of Regents appointed a Commission on Articulation and Transfer to “develop a policy framework for a statewide articulation and transfer process” (Ohio Board of Regents, 2008). The Commission drafted and submitted the Ohio Articulation and Transfer Policy,

which was approved and implemented by the Board of Regents in late 1990. The implementation of this policy directly improved the mobility of transfer students, particularly within the public sector of higher education, while simultaneously facilitating enhanced inter-institutional cooperation between Ohio's higher education institutions. Although this policy was specifically designed to address transferability of credits between two- and 4-year public institutions, many private institutions voluntarily participate. More specifically, the Articulation and Transfer Advisory Council recommended that Ohio's private institutions adopt the requirement and guidelines for transfer. Furthermore, the Articulation and Transfer Advisory Council offered that regionally accredited independent institutions of higher education could seek approval from the Board of Regents to participate in this policy. However, the Board of Regents noted that private institutions with approval to participate were required to adopt formal policies fully implementing the articulation and transfer policy (Ohio Board of Regents, 2008).

Oversight of the articulation and transfer regulations was coordinated by the Articulation and Transfer Advisory Council, a representative body appointed by the Ohio Board of Regents. The Council consisted of representatives from Ohio 2-year institutions, public and private 4-year institutions, the State Board of Education, the Association of Independent Colleges and Universities of Ohio (AICUO) lobby organization, a K-12 school district representative, and a business community leader. Appointed members were directed by the Board of Regents to "review and make recommendations on curricular, policy, implementation, and compliance issues" (Ohio Board of Regents, 2008, p. 6).

Some of the most substantial changes to the original articulation and transfer policy came in 2002 when the Ohio General Assembly mandated additional improvements, with specific emphasis on creating a more comprehensive transfer system. The goal of the General Assembly was to ensure that students could begin their college experience anywhere in the state system and be guaranteed the transfer of their credits to another state institution. Following these changes, the General Assembly also directed the Board of Regents to develop criteria, along with corresponding policies and procedures, for the transfer of credits from high school and adult career-technical programs to the state's public institutions of higher education. As with the original policies, Ohio's private institutions maintained the right to decline participation in this policy.

The articulation and transfer policy provided an important example of the state's governance posture toward private higher education. While private institutions were not obligated to participate, the availability and encouragement of participation served as an indicator of the state's interest in incorporating the private sector more fully in the overall higher education system. Furthermore, the Advisory Council included membership of multiple private institutions, as well as the Association of Independent Colleges and Universities of Ohio, which serves as the primary lobby organization for the majority of Ohio's private institutions.

Information collection and management. The Ohio Revised Code stipulates that the Ohio Board of Regents shall “report at least semiannually to the general assembly and the governor the enrollment numbers at each state-assisted institutions of higher education” (O.R.C. §3333.04 b2) and “ensure that institutions of higher education are in compliance with the board's rules governing state student aid programs” (O.R.C.

§3333.047). As a result of this directive, the Board of Regents collected a wide range of information from state-supported 2-year and 4-year institutions. However, it was not until 2000, at the request of Governor Bob Taft, that the Board began producing an “annual report [that] outlined college and university performance measures, including graduation, transfer and retention rates, and average time and credits to degree, and other measures of student success” (Taft, 1999). The governor expected this report to demonstrate justification to Ohio taxpayers for the state’s on-going financial support of higher education while simultaneously serving as a comparative benchmarking tool for Ohio’s institutions and allowing prospective students and families an additional source of information to match student need with institutional type (Taft, 1999). The result of the governor’s request was the creation of the annual Performance Report for Ohio’s Colleges and Universities, the first of which was published in 2000 (Robert Taft, interview, June 28, 2008).

The Board of Regents collected data for the annual performance report through the Board of Regents Higher Education Information System (HEI), a modernized version of a data collection tool in place since the 1960s. Implemented in late 1998, the HEI was a web-based tool designed to supported data collection regarding institutional enrollments, faculty and staff, finances, facilities, financial aid, academic programs, and capital planning (Horton and Johnson, 2003). While the HEI was specifically designed to focus on Ohio’s 2-year and 4-year public institutions, private higher education institutions were also invited to participate. More specifically, private higher education data collected by HEI included student demographics, financial aid, and degree and certificate completion (Horton and Johnson, 2003). Furthermore, data collected through

the HEI was shared with other state government departments, the legislature, and neighboring states to assist with state-wide planning and assessment beyond the Board of Regents (Horton and Johnson, 2003).

In addition to the Performance Report, the Board of Regents also partnered with the State Board of Education to collect annual state-wide data on high school senior college attendance rates. This report was also partially the result of Governor Taft's request for an annual state-wide report on higher education. The first High School Transition Report was published in 2002 and included information regarding student diversity, first-year success in college, high school seniors enrolled for college credit, and general preparedness for college academic work. As with the Performance Reports, the high school transition reports focused primarily on public institutions and included limited information about private higher education and high school transition. However, the Association of Independent Colleges and Universities of Ohio was consulted and participated in the design and creation of both reports, which helped to ensure that private higher education was included in this sharing of information (Larry Christman, interview, June 23, 2008).

Finally, the Board of Regents regularly utilized data from a variety of sources, including the State Board of Education, Legislative Services Commission, Office of Budget and Management, and the Ohio Department of Jobs and Family Services to create special reports to address timely issues of interest or need. In every case reviewed, Ohio's private higher education institutions, or the students enrolled in these institutions, were represented. Often this representation came via the Board of Regents consultation with AICUO or through direct institutional representation on the report team. Even when data

were not specifically submitted by individual institutions or through AICUO to the Board of Regents, data on Ohio students enrolled in private higher education were generated based on private higher education state aid recipients. This was specifically the case in the Board's report on *Employment Outcomes for Graduates of Ohio Higher Education Institutions: Spring Graduating Classes 1999 to 2003* (Ohio Board of Regents, 2005a). Together the reports generated by the Ohio Board of Regents demonstrated attention to and inclusion of the private sector with respect to data collection and dissemination about Ohio's higher education environment. However, the level of inclusiveness appeared to increase substantially after Governor Taft's 1999 request. Larry Christman, former executive director of the Association of Independent Colleges and Universities of Ohio, confirmed that Governor Taft's efforts helped to further the involvement and representation of Ohio's private higher education institutions in this and numerous other state initiatives (interview, June 23, 2008).

Zumeta (1996) argued that states with a central-planning policy posture have higher education governance structures that collect increasing amounts of data from and about the private sector, have some oversight of private institution's financial operations, and are involved in the approval of new programs. Clearly, each of these components is in place in Ohio. However, Zumeta also suggested that central-planning states fully embrace the private sector as an integral part of their higher education capacity and use extensive mandates, planning mechanisms, data collection, and aid to institutions to implement the overall higher education plan for the state. I did not find clear evidence of Ohio fully embracing the private sector or that the Board of Regents had established extensive mandates on the private sector. This suggests that the central-planning posture

alone does not best describe the Board of Regents' posture toward the private sector and further supports the hybrid posture identified by Zumeta. The market-competitive posture places greater emphasis on the use of state funding to facilitate an "evenhanded" competitive environment among higher education institutions. Therefore, in the next section I discuss the student aid programs coordinated by the Ohio Board of Regents.

Board of Regents and Ohio Student Aid Programs

Zumeta (1996) stated that a state's student aid funding level provided key insight into the state's policy stance with respect to private higher education. Therefore, I also evaluated Ohio's student aid programs, including the funding and management of these programs by the Board of Regents. I gave specific attention to funding allocated to public institutions as part of the state share of instruction as well as state aid programs providing direct support to students enrolled in private institutions of higher education. My findings were gathered to address Questions Three, which focused on identifying Ohio's policy posture using Zumeta's (1996) taxonomy; Question Four, which addressed funding mechanisms and policies affecting private higher education; and Question Five, which explored the extent of private higher education's inclusion in statewide planning. I limited my analysis of this information to data from 1980 to 2006.

A key source of information for this part of my study were the National Association of State Student Grant and Aid Programs (NASSGAP) annual reports, which provided detailed information regarding Ohio's aid programs from 1988 through 2004. Additionally, I reviewed data compiled by the National Center for Public Policy in Higher Education for the bi-annual *Measuring Up* report card for the years 2000, 2002, 2004, and 2006 with particular emphasis on the affordability index. Despite the limited

ability of these reports to give insight into Ohio's support of private higher education, these resources did provide a broad overview of the student aid environment in the state.

NASSGAP data regarding the ranking of Ohio's population and undergraduate enrollment are reported in Table 36. Additionally, in Table 36 I also report Ohio's financial support to higher education as demonstrated by need-based aid per resident and need-based aid per undergraduate student along with the corresponding national ranking.

Table 36

Ohio Need-Based Aid, 1988-2000

Year	Population Rank ^a	Undergraduate Enrollment Rank ^a	Need Based Aid Per Resident	Rank ^a	Need Based Aid Per Undergraduate	Rank ^a
1988	7	6	\$4.78	15	\$114	15
1990	7	6	\$4.85	16	\$180	18
1992	7	6	\$6.03	14	\$221	13
1996	7	6	\$7.78	16	\$291	17
1998	7	6	\$8.32	19	\$310	20
2000	7	6	\$8.76	23	\$268	22

Note. Data from the National Association of State Scholarship and Grant Programs annual reports, 1988-2004.

^a Rank is the Ohio's rank compared to all 50 states.

In Table 37 I report Ohio's financial support to higher education as demonstrated by grant aid per resident and grant aid per undergraduate student along with the corresponding national ranking from 1988 to 2000.

Table 37

Ohio Grant Aid, 1988-2000

Year	Grant Aid Per Resident	Rank ^a	Grant Aid Per Undergraduate	Rank ^a	Total Grant Aid as % of State Appropriations	Rank ^a
1988	\$ 6.78	15	\$161	13	5.50%	13
1990	\$ 7.35	17	\$265	17	5.30%	12
1992	\$ 8.61	17	\$314	15	6.80%	12
1996	\$11.57	12	\$432	11	7.30%	10
1998	\$12.96	16	\$482	12	-	-
2000	\$15.47	19	\$473	16	8.40%	14

Note. Data from the National Association of State Scholarship and Grant Programs annual reports, 1988-2004.

^a Rank is Ohio's rank compared to all 50 states.

Between 1990 and 1992 Ohio's undergraduate enrollment decreased by 34%. This decrease had a positive impact on undergraduate student aid because there were fewer students competing for the same state dollars. In turn, Ohio's need-based and grant aid both increased as did the state's national rankings. Between 1992 and 2004 Ohio's undergraduate enrollment stabilized and ultimately gained back most of the loss experienced between 1990 and 1992. However, despite dollar increases in each category, Ohio's funding practices failed to keep pace with other states and Ohio's rankings dropped. As illustrated in Tables 36 and 37, despite ranking in the top ten in both

population and undergraduate enrollment, Ohio's funding patterns for need-based and grant-aid ranked substantially lower.

The National Center for Public Policy in Higher Education also continued to be very critical of Ohio's support to higher education. The Center awarded (2002, 2004, 2006) a grade of "F" to Ohio for affordability and stated that family ability to pay for an undergraduate education remained substantially below the national averages throughout this time period. The Center (2002, 2004, 2006) specifically noted that, prior to factoring in financial aid, approximately 52% of an Ohio family's income was needed to pay for college compared with a national average of 32%. While this does not reflect state aid funding levels, it helped to emphasize the financial challenges in Ohio with respect to student aid. The Center stated that Ohio's investment in need-based financial aid equaled only 25% of federal need-based support to Ohio residents compared with other states that matched up to 89% of federal levels (2004, 2006).

Taken together, this information highlights Ohio's general trend of increasing funding for need-based and grant aid; however, these increases did not help the state maintain its national rankings. Furthermore, these lower rankings demonstrate that, irrespective of tuition levels or actual cost to attend, Ohio's commitment to student aid funding did not keep up with enrollment increases experienced between 1992 and 2006. While the NASSGAP and National Center information provided my study with key insights about Ohio's aid programs, I also completed specific analysis of state-support student aid programs to round out the picture of Ohio's student aid environment. I gave particular attention to those student aid programs designed to assist students attending private higher education and their management.

Board of Regents Managed Student Aid Programs

The Board of Regents has statutory authority over a variety of student aid programs designed to provide increased access to Ohio's higher education institutions. Foremost among these programs was the Board of Regents' annual calculation and dispersing of funding for the State Share of Instruction (SSI) for Ohio residents attending public institutions within the state. In addition to the SSI, the Board of Regents also coordinates the delivery of a variety of other major aid programs which provide financial support to students enrolled in public and private higher education. During the time period of my study there were six state-funded and Board of Regents supervised aid programs that provided funding to students enrolled in private higher education: 1) the Ohio Instructional Grant (OIG), 2) the Part-time Ohio Instructional Grant, 3) the Ohio Choice Grant, 4) the Ohio Academic Scholarship, 5) the Ohio War Orphans Scholarship, and 6) the Ohio Safety Officers Memorial Fund. The Ohio Instructional Grant was the single largest state aid program available to students, with the Choice Grant coming in a distant second. Table 38 provides a snapshot of Ohio's three major student aid programs including the year the program was established, funding and recipient levels in 1984 and 2004, and the average amount received by an eligible student in 1984 and 2004.

As Table 38 demonstrates, Ohio has a long history of providing funding to college-bound students. All three aid programs reported increases in the number of recipients, average individual award, and total funding per year. These increases serve as specific examples of Ohio's effort to increase student aid funding as illustrated in Tables 36 and 37. However, as previously noted these increases did not keep up with national trends or escalating tuition costs.

Table 38

Key Ohio Scholarships and Grants

Aid Program	Year Founded	# of Recipients		Average Award		Total Funding ^a	
		1984	2004	1980	2004	1980	2004
Instructional Grant	1969	69,860	98,705	\$ 600	\$1,030	\$41.97	\$101.74
Academic Scholarship	1977	950	3,711	\$1,000	\$2,100	\$ 3.80	\$ 7.86
Ohio Choice Grant	1984	10,000	54,819	\$ 500	\$1,002	\$ 5.00	\$ 52.15

Note: Data from NASSGAP Annual Report (1984), Ohio Office of Budget and Management Detailed

Budget Appropriations Summary report (2004), and the Ohio Board of Regents Summary of Program Expenditures by Institution (2004).

^a Total funding values reported in millions of dollars.

Zumeta (1996) also suggested that one method for determining state support of private higher education was to consider the state's subsidy to public institutions and changes in this subsidy in comparison to changes in state aid programs for students enrolled in private institutions. Therefore, I also conducted a brief analysis of the calculation method and changes in Ohio's State Share of Instruction funding levels for the study time period. I follow this analysis with a presentation of funding patterns for four of Ohio's major aid programs for students attending private higher education institutions, beginning with the 1981 fiscal biennium through the 2005 fiscal biennium.

State Share of Instruction (SSI). The State Share of Instruction (SSI) is the name of the formula used by the Ohio Board of Regents to determine distribution amounts to state institutions as a means of reducing the direct cost to enrolled students. The SSI was established in the 1960s by the Ohio legislature and distributes the majority of state appropriations to public colleges and universities in the state. The Ohio Board of Regents

(2002b) reported that the majority of instructional and general expenditures made by state supported campuses were provided to educate Ohio residents in undergraduate programs. Non-Ohio residents enrolled in Ohio graduate programs ranked second.

Using the SSI, the Ohio Board of Regents determined the state's share of the costs of instruction. This share was then allocated to campuses in the form of state subsidy and other items within the budget associated with student instruction. According to the Board of Regents, the largest component of this state share was calculated by analyzing campus costs from previous years and using a weighted average that reflected a portion of the statewide average of those costs. Public institution campuses that spent above the statewide average tended to have higher tuition rates or generated revenues from other sources to cover costs.

The Board of Regents described the process of determining the SSI for a specific public institution in the following way. First the average costs of instruction and support for a particular academic program, student support services, and institutional plant, operations and management were totaled. This total was then multiplied by the number of full-time equivalent (FTE) students for the given institution for each level of instruction offered. The final step in this formula process was to subtract the assumed revenue from tuition a given institution and corresponding program would have from the overall average cost of instruction. The remaining amount was the state's share of instructional cost for a full-time equivalent student in an Ohio public institution of higher education.

The Board of Regents also noted two complicating factors to this simplified version of understanding the SSI formula. First, the Regents noted that 2- and 5-year FTE averages were also used depending on the circumstances of a given campus. Therefore,

campuses experiencing rapid growth could benefit by use of the 2-year average and, conversely, those experiencing stagnation or declines in enrollment did not lose funding as rapidly because of use of the 5-year average FTE enrollment data. Secondly, Ohio's state share of instruction formula included a provision which essentially guaranteed a campus with the same overall amount of money it had received in the previous year (Ohio Board of Regents, 2002c).

The Ohio Board of Regents reported that in the late 1980s the average undergraduate state share of instruction was approximately 63%. However, by fiscal year 2002 the state share of instruction accounted for only about 50% of the cost of undergraduate education in the public sector (Ohio Board of Regents, 2002b). The Board of Regents also noted that the SSI for Ohio's state-supported campuses was below the national average for both 4-year and 2-year campuses for fiscal year 2000. Figure 1 illustrates Ohio's SSI per full time equivalent (FTE) from 1988 to 2002. The SSI values have been adjusted for inflation using the U.S. dollar value in the year 2000.

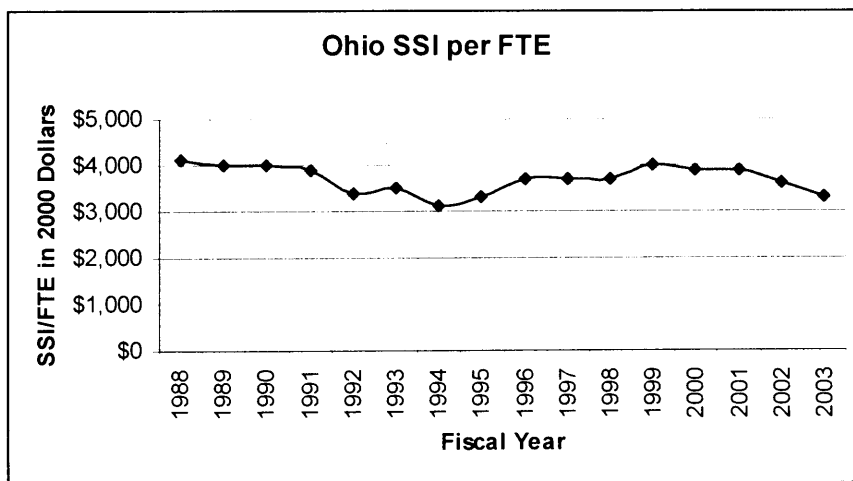


Figure 1. Ohio State Share of Instruction per full time equivalent undergraduate.

SHEEO (2006) also reported a 30% decline in Ohio's share of undergraduate instructional costs between 2001 and 2006 despite a national average decline of 14.2% during this same time span. Interestingly during this same time period the total educational revenue per full-time equivalency in public higher education also declined by approximately 10% against a national average decline of 5% (SHEEO, 2006). Together, the SHEEO data and Board of Regents data showed that Ohio's commitment to higher education experienced significant changes during the study time period. However, these changes ultimately resulted in a decline in support to students attending public universities in Ohio.

Ohio Instructional Grant. The Ohio Instructional Grant (OIG) was established in 1970 to provide fiscal support to dependent Ohio residents enrolled in undergraduate programs. Public- and private-enrolled students are eligible for funding through this aid program. This aid program was the primary need-based grant program coordinated by the state during my study time period.

In 1993 the Ohio legislature approved OIG for students enrolled part-time in public and private institutions. OIG aid is designed to support students from low- and middle-income families and is based on financial need as well as the number of dependents in a family. Student recipient eligibility is determined based on information obtained through a student's completion of the Free Application for Federal Student Aid (FAFSA).

The Ohio Board of Regents stated that the distribution of award dollars for the OIG and part-time OIG to students was to be paid to an eligible student through the

institution in which the student is enrolled and priority was given to those students with the lowest family income and highest number of dependents (NASSGAP, 1980; 1993). Table 39 reports the change in minimum and maximum funding levels for the Ohio Instructional Grant between 1982 and 2002 for students attending public and private institutions of higher education.

Table 39

Ohio Instructional Grant Award Range by Institution Type

Award Level	Public Institution		Private Institution	
	1982	2002	1982	2002
Minimum Award	\$180	\$ 174	\$ 354	\$ 444
Maximum Award	\$900	\$2,190	\$2,250	\$5,466

Note: Data from National Association of State Scholarship and Grant Programs (2003).

Although minimum and maximum funding levels increased over time, Ohio appeared to provide more significant support to students enrolled in private higher education institutions. However, a closer look at the award history of Ohio Instruction Grants, as I report in Table 40, challenges this assumption. Table 40 demonstrates that through approximately 1992 the number of OIG recipients increased and students enrolled in private higher education accounted for increasingly large shares of this award. However, changes to the Ohio Revised Code in the mid-1990s limited the eligibility of students in the private sector while simultaneously increasing the maximum award amount (see Table 39).

Table 40

Ohio Instructional Grant Award History, 1982-2002

OIG Awards	1982	1988	1992	1996	2000	2002
# of OIG Awards	67,000	68,000	95,400	82,226	74,103	91,206
% Awarded to Private Institutions ^a	22.3%	30.0%	-	23.0%	23.3%	12.7%
Total OIG Dollars Awarded ^b	\$33.86	\$51.40	\$66.00	\$76.07	\$84.25	\$117.00
% Awarded to Private Institutions ^a	41.9%	51.0%	-	42.0%	42.0%	23.5%
Average OIG Award	\$505	\$756	\$692	-	-	\$2,180

Note. Data from National Association of State Scholarship and Grant Programs (1983, 1989, 1993, 1997, 2001, and 2003).

^a % of students enrolled in private higher education institutions who received the OIG.

^b Total dollars awarded are reported in millions of dollars.

While the total number of Ohio Instructional Grant recipients increased, as did the award amounts, private higher education's share of this award actually declined. In fact, students enrolled in private institutions witnessed a 76% decline in the number of grants awarded to them and a 78% decline in the amount of award dollars between 1982 and 2002. Moreover, the 2006 Ohio Revised Code showed that the Ohio Instructional Grant award levels had not changed for students attending any type of higher education institution in Ohio since 2002 even though tuition has increased during this time.

In the fall of 2006 the Board of Regents began a multi-year phase out of both the Ohio Instructional Grant and the part-time instruction grant in favor of the Ohio College Opportunity Grant. Funding for both the OIG and the part-time instructional grant was

scheduled to merge into the new College Opportunity Grant over a 4-year period and to cease being a separate funding program no later than 2011.

Part-Time Instructional Grant. As early as 1985 the Ohio legislature considered implementing an aid structure for students enrolled part-time in Ohio's colleges and universities (NASSGAP, 1985). However, it was not until September of 1993 that the Ohio Legislature authorized the part-time instructional grant to provide financial assistance to Ohio's part-time students in both public and private higher education. The first year of funding for the Part-Time Instructional Grant was 1994-1995 academic year and administration of the program was initially overseen by the Ohio Student Aid Commission.

The Part-Time Instructional Grant was designed to “provide financial assistance to eligible students who are enrolled in ‘eligible institutions of higher education’ for part-time rather than full-time study” (OAC 3351.2.01, 2006). According to the regulations established in the Ohio Administrative Code, Chapter 3351.2, eligible students were those Ohio residents enrolled in an associate or bachelor degree program for no more than 11 credit hours per quarter or semester. The student's enrollment was required to be in an accredited public or private institution of higher education in Ohio or an accredited school of nursing or proprietary schools holding a state Certificate of Registration. The guidelines of the part-time instructional grant, similar to those of the Ohio Instructional Grant, required eligible students to have financial need as determined by the Free Application for Federal Student Aid (FAFSA). Special consideration was also granted to part-time students who were single heads of household or displaced homemakers.

At its inception, the Part-Time Instructional Grant provided a maximum award level of \$3,750 to Ohio residents enrolled in private higher education. The award was restricted to not exceed a student's annual tuition cost. Furthermore, the part-time instructional grant could not be used to supplant employer-provided educational assistance or other sources of non-adjustable financial aid such as tuition waivers or scholarships that were restricted to use for tuition. The award process for the part-time instructional grant required the Board of Regents to consider the percentage of part-time students enrolled in a given institution multiplied by the percentage of those part-time students meeting federal and or state aid to determine the need level of part time students. The need level was then divided by the combined total need level for all eligible institutions in Ohio to determine the specific institution's share of the part-time instructional grant funds.

The part-time instructional grant, as with the Ohio Instructional Grant, seemed to heavily favor those students enrolled in public higher education. NASSGAP data reported only 15% of part-time instructional grants were awarded to students in private higher education for the 2002-2003 academic year (NASSGAP, 2003). This is in line with the downward trend of private higher education recipients for the Ohio Instructional Grant and projections for the Ohio College Opportunity Grant suggested that students in the private sector would continue to receive funding from the proposed program at a lower level than generally experienced throughout the 26 years of my study.

Ohio College Opportunity Grant. The Ohio College Opportunity Grant (OCOG) was established by the Ohio Legislature in 2005 based on the recommendations of the Ohio Board of Regents with a specific goal of "updating Ohio's need-based aid system

and to expand the reach of Ohio's need-based financial aid to more students and families" (Ohio Board of Regents, 2005b, p. 1). The OCOG was scheduled for implementation for the 2006-2007 academic year and is designed to replace the Ohio Instructional Grant over a period of 4 academic years with full implementation scheduled for the 2010-2011 academic year. Using 2002-2003 OIG recipient and award distribution figures, the Board of Regents proposed that replacing the OIG with the OCOG would result in up to 50% of Ohio residents having eligibility for funding through this program compared with only 30% through the OIG (Ohio Board of Regents, 2005b).

According to the Ohio Revised Code, Chapter 3333.122, eligibility for the Ohio College Opportunity Grant is based on family income levels in addition to the type of institution the student attends. The most significant difference between the Ohio Instructional Grant and the Ohio College Opportunity Grant is an increase in the eligible maximum family income level from \$39,000 with the OIG to \$75,000 per year with the OCOG. Furthermore, the Board of Regents stated that this increase effectively granted eligibility to an additional 11,000 students who were not eligible to receive funding under the OIG. However, lower award levels were established by the Legislature as part of this change (Ohio Board of Regents, 2005c).

The Ohio Revised Code directed that funding for the OCOG be based on the recipient's enrollment status and the type of institution in which the student is enrolled. The Ohio Board of Regents estimated that the change to the OCOG would allow for up to 50% of recipients of this aid program to receive the maximum award, compared with only 30% under the outgoing Ohio Instructional Grant (Ohio Board of Regents, 2005c). Additionally, under this new program recipients enrolled in a private higher education

institution were to be eligible for awards ranging from \$150 to \$4,992, while those attending public institutions were eligible to receive awards up to \$2,490 (AICUO, 2007; Ohio Revised Code, 3333.122 C). As previously noted, the entering class of 2006 was set to be the first group of eligible students to receive grant aid in this new format. Therefore, at this time of my study no recipient data was available. However, I anticipated that the implementation of this new program, coupled with the phase-out of both the Ohio Instructional Grant and part-time instructional grant, will impact funding levels for Ohio's primary aid program for students enrolled in private higher education, the Ohio Choice Grant as well as provide a future indicator for Ohio's policy posture toward private higher education.

The Ohio Choice Grant. In 1984 the Ohio Legislature established the Student Choice Grant, also known as the Choice Grant, to provide funding to Ohio residents attending private institutions of higher education in the state. Section 3333.27 of the Ohio Revised Code established that recipients of the Choice Grant must be Ohio residents and full-time students in an Ohio private higher education institution. The Ohio Administrative Code further stated that eligible students were required to maintain good academic standing within their respective institution and demonstrate appropriate progress toward completion of a bachelor degree (O.A.C. 3333.1.17). The Legislature also established that only Ohio institutions holding a "Certificate of Authorization issued under section 1713.02 of the Ohio Revised Code and meet[ing] the requirements of Title VI of the Civil Rights Act of 1964" were eligible to offer Choice Grant dollars to their students (O.A.C. 3333.1.17). Eligible institutions were also required to maintain appropriate regional accreditation.

The Student Choice Grant was established as a tuition equalization program to assist students and families with the increasing cost of private higher education in the state (Larry Christman, interview, July 2, 2008). Funding for the Student Choice Grant was set to be no more than one-fourth of the state's subsidy to public institutions as demonstrated through the state share of instruction subsidy. At its inception the maximum funding level was \$500, and by 2000 the maximum funding level had increased to \$1,062. Actual funding levels for a specific biennium were legislatively established through the state's budget process and did not always match the maximum level available to the legislature for funding. Furthermore, grant dollars awarded to an eligible student were paid to the institution with the mandate that "the institution shall reduce the student's instructional and general charges by the amount of the grant" (ORC, 3333.27). The Ohio Revised Code also established that no student would be eligible to receive the grant if enrolled in a course of study leading to a degree in theology, religion or other religious preparation not part of an accredited bachelor of arts or science degree, or if the student was enrolled for more than 10 semesters or the equivalent of 5 academic years. The Revised Code (2006) also protected student access to other state aid programs provided that the total amount of state aid did not exceed the total instructional and general fee charges of the institution in which the student was enrolled.

During the 22 years of the Student Choice Grant, the Ohio Legislature repeatedly provided for increased funding to this grant program. In fact, the total appropriations to the Student Choice Grant increased by over 950% from its inception in 1984 to 2005, and the total number of recipients increased from 10,000 to over 58,000. Table 41 illustrates

the funding history of the Student Choice Grant as reported by the Ohio Board of Regents

Summary of Program Expenditures by Institution annual report.

Table 41

Ohio Student Choice Grant Funding

Ohio Choice Grant	1984	1988	1992	1996	2000	2004	2005
Total Allocation ^a	\$5.00	\$15.27	\$21.21	\$28.32	\$42.79	\$52.15	\$52.02
% Change	-	205.4%	38.9%	33.5%	51.1%	21.9%	-0.3%
# of Awards	10,000	33,200	42,341	46,790	50,500	54,819	57,771
% Change	-	232.0%	21.5%	16.0%	7.9%	8.6%	5.4%
Award Amount	\$500	\$502	\$564	\$882	\$1,062	\$1,002	\$900
% Change		0.4%	12.4%	56.5%	20.4%	-5.6%	-10.2%

Note: Data from the Ohio Board of Regents Summary of Program Expenditures by Institution 1996, 1998, 2000, 2002, 2004, and 2006.

^a Total allocation reported in millions of dollars.

Despite the substantial increase in overall funding from its inception in 1984 through 2005, the purchasing power relative to tuition of the Student Choice Grant declined. In fact, Ohio would have needed to increase the 2005 funding level of the Student Choice Grant to \$1,174 simply to maintain the same value of the original \$500 grant established at the inception of the program in 1984. The average annual tuition of Ohio's private institutions was \$4,770 in 1984, meaning the Student Choice Grant of \$500 accounted for just over 10% of an Ohio resident's private tuition bill. By 2004 an Ohio resident paid an average annual tuition bill of \$16,672 for private higher education and received a Student Choice Grant of \$1,002 which covered approximately 6% of the

tuition bill. The declining state subsidy levels to the public institutions during the study time period resulted in reduced maximum funding levels for the Student Choice Grant that simultaneously combined with rapid increases in the annual tuition and fee levels of private higher education and served to have a limiting effect on access to private higher education in Ohio.

Ohio Academic Scholarship. The Ohio Academic Scholarship was the fourth aid program I reviewed as part of my study and also the fourth largest Ohio aid program that provided financial support to students enrolled in private higher education. The scholarship was established in 1978 to “recognize and give financial assistance to the state’s academically outstanding students and to encourage these students to attend Ohio’s institutions of higher education” (OAC, 3333.1.11). Eligibility requirements for the Ohio Academic Scholarship included that recipients be a resident of Ohio and have graduated from a diploma-granting public or private high school chartered by the Ohio Department of Education. Furthermore recipients must be enrolled or intending to enroll as a full-time undergraduate student in an accredited public or private higher education institution, a state certified school of nursing, or an Ohio certified proprietary institution. Students were also required to have taken the ACT Assessment during their junior year of high school to be eligible and no more than five students from one high school could apply for the scholarship in the same academic year. The top student from each school receives the award. Recipients of the scholarship were eligible to maintain the award for up to 4 academic years and the award did not impact a recipient’s eligibility to also receive funding through the Ohio Instructional Grant, the Student Choice Grant, War Orphans Scholarship, or National Guard Scholarship.

Chapter 3333 of the Ohio Revised Code stated that “under the program, a total of one thousand new scholarships shall be awarded annually in the amount of not less than two thousand dollars per award” (ORC, 3333.21). NASSGAP data showed that the scholarship award level in 2004 was \$2,205 which was up from the \$1,000 maximum award level in place throughout much of the 1980s and 1990s. However, despite the more than doubling of this award over 20 years, the purchasing power of the award in relation to cost of tuition at private institutions declined dramatically. Table 41 shows the decline in the purchasing power of the Ohio Academic Scholarship between 1984 and 2004.

Table 42

<i>Ohio Academic Scholarship</i>		
Ohio Academic Scholarship	1984	2004
Award Amount	\$1,000	\$ 1,000
Average Tuition ^a	\$4,770	\$16,672
% of Tuition	21%	12%

Note: Data from NASSGAP Annual Report (1984, 2004) and the Ohio Office of Budget and Management Detailed Budget Appropriations Summary report (2004).

^a Average tuition reported is for private institutions included in my study.

State-Supported Aid Programs-Overview

Collectively, these state-supported grant aid programs provided substantial benefit to Ohio residents pursuing undergraduate education at one of Ohio’s higher education institutions. Larry Christman, a former Ohio Legislator and president of the Association of Independent Colleges and Universities of Ohio (AICUO), noted that the aid programs coordinated by the Board of Regents for private higher education “were critical to the

growth of private higher education in Ohio” (interview, July 2, 2008). Governor Taft commented that “programs like the Choice Grant were sensible ways [for the state] to narrow the gap in tuition between public and private institutions” which directly benefited private higher education (interview, June 20, 2008). Christman echoed Governor Taft’s comments when he noted that “the Choice Grant and the Ohio Instructional Grant, while not the only reasons for private higher education growth, were key factors in helping secure funding for Ohio residents choosing to pursue higher education” (interview, July 2, 2008).

The design and scale of these aid programs also provide further illustration of Zumeta’s (1996) hybrid central-planning/market competitive policy posture in Ohio. More specifically, the combination of aid programs emphasized direct aid to students and tax incentives to private institutions, both key indicators of a central-planning policy posture. These types of fiscal support programs helped to off-set the substantial differences in the average tuition between public and private institutions. At the same time, Ohio employed a variety of targeted aid programs that leveled the competitive playing field between public and private institutions while simultaneously encouraging academic programs to meet developing economic and professional needs in the state. These are the types of programs and initiatives I would expect to find in a state with a market-competitive posture. However, Ohio neither overly controlled nor fully incorporated the private sector into statewide funding or planning practices (as evidenced by recent declines in the Choice Grant) and, therefore, does not clearly fall into only one of these two policy postures.

Furthermore, and as I have suggested throughout this research, higher education funding in Ohio had been at risk prior to and throughout the time span of this study. The impact of rising costs for K-12 programs in Ohio, along with increased corrections and medical expenditures for state residents, had placed a strain on the state budget and limited options for increased funding for higher education (Ohio Board of Regents, 1992; Ohio Department of Budget and Management, 1995-2005; Urban Affairs Center, 2006). Furthermore, Ohio had no direct obligation to provide any financial assistance either directly or indirectly to private higher education prior to the establishment of the Student Choice Grant in 1984. When the state institutions came together to voice more unified positions to the Governor and/or Legislature through the Board of Regents, the voice of the private institutions in such matters, although represented, was not as loud (Christman, interview, July 2, 2008). Therefore, Ohio's private higher education institutions established a lobby organization late in the 1960s to assure that the needs and voices of Ohio's private institutions, with respect to state student aid and other matters, were collectively represented. The result was the founding of the Association of Independent Colleges and Universities of Ohio (AICUO, 2007).

Lobby Organizations, Commissions, and Associations

The higher education environment in Ohio includes numerous organizations and entities which have voice for and/or direct involvement with private higher education. The mix of a primary lobby organization, affiliated associations and several legislatively established commissions and agencies were explored as part of my research to demonstrate the extent to which private higher education was included in state-wide planning and how these organizations assisted with the governance of private higher

education in Ohio. I researched the following entities as part of my case study documentation: 1) the Association of Independent Colleges and Universities of Ohio, 2) the Ohio Higher Education Facility Commission, 3) the OhioLINK, 4) the Ohio College Access Network, and 5) the Third Frontier Project. I researched these entities was to assist with answering Question Five of this study, which asked about the extent of private sector involvement in state-wide planning for Ohio's higher education system.

Association of Independent Colleges and Universities of Ohio (AICUO). The Association of Independent Colleges and Universities of Ohio (AICUO) was established in 1969

to represent the interests of its members to Ohio lawmakers, regulators, and citizens. AICUO seeks to strengthen student financial aid programs and bring about a greater understanding of the impact and contributions of Ohio independent colleges and universities. At the same time, AICUO works to promote the well-being of Ohio higher education as a whole, with special regard for the dual private/public nature of the responsibility to serve the educational, social and cultural needs of the state and the nation. (AICUO, 2006)

In other words, the purpose of AICUO is to (1) identify common issues facing Ohio's private higher education institutions, (2) establish a common set of talking points and policy position that balances meeting state interests while also supporting private institutions and their students, and (3) to lobby state entities and organizations including the Governor, Legislature, Board of Regents (Larry Christman, interview, June 23, 2008; C. Todd Jones, interview, June 24, 2008). Moreover, the goal of AICUO is to ensure that the private sector is an active part of state planning for higher education and appropriately and fully considered when budget decisions regarding state aid programs are being made.

In 2006 membership in AICUO included 52 of Ohio's private higher education institutions. Together, these 52 institutions represented approximately 98% of all

undergraduate students enrolled in Ohio's private institutions and included every major population center in the state. Furthermore, AICUO member institutions were located in 29 of Ohio's 88 counties and included research institutions such as Case Western Reserve University and the University of Dayton, as well as religious affiliated institutions such as John Carroll University, Xavier University, and Ursuline College. The diversity of member institutions also included art and nursing institutions as well as other historical institutions such as Oberlin College and Wilberforce University. Collectively, the participation of these member institutions helped to ensure that the private sector was included in regular state-wide planning efforts.

Major issues addressed and highlighted by AICUO included emphasizing the public benefit gained by Ohio and its corporations and citizens through support of private higher education and the students who chose this sector for enrollment (C. Todd Jones, interview, June 24, 2008). AICUO noted that more than half of all students admitted as freshmen to Ohio's private higher education institutions graduate from the same institution in 4 years with these institutions reporting a 4-year graduation rate of 51% compared with 28% in the public sector and a 5-year graduation rate of 62% compared with 49% in public institutions (AICUO, 2004).

Each year AICUO conducts an annual survey of member institutions to gather supplemental information for the purpose of identifying and reporting trends to a variety of consumers. The Annual Report Survey collected applicant and enrollment information, undergraduate transfer origination, full-time equivalencies, student to faculty ratios, enrollment by residence, alumni residence, student housing, endowment, retention, financial and human resources, and curricular information. Taken together, these reports

were utilized by the lobby organization to create a vivid picture of Ohio's private higher education environment. For example, data from these surveys were combined with the National Center for Education Statistics IPEDS data to support AICUO's report of private institution share of undergraduate degree completions in Ohio (Robert Burke, interview, April 23, 2008). Using these data sources, AICUO stated that private higher education accounted for 59% of physics degrees, 49% of math degrees, 49% of history degrees, 45% of chemistry degrees, 43% of economics degrees, 41% of biology degrees, and 39% of nursing degrees. In fact, according to AICUO, private higher education accounted for 36% of all undergraduate degrees despite enrolling only 33% of the state's undergraduate population (AICUO, 2004). Financial aid data from the AICUO annual survey also showed that private higher education played a major financial role in the provision of undergraduate education in Ohio. AICUO data showed that in 2004 approximately 76% of grant aid awarded to students at private institutions in Ohio came from the institution itself, with only 13% from the state and 11% from the federal government. When compared with AICUO data from 1987 substantial changes were noted. The 1987 data showed that private institutions accounted for only 62% of grant aid to students with federal grants contributing 22% and state grants contributing 11% (AICUO, 2004).

In addition to the Annual Survey, the Association also conducted an annual Financial Aid Survey to collect information about the Ohio Student Choice Grant. The Financial Aid survey asked member institutions to provide data regarding the number and collective amount of various award types, including need-based federal and state awards, student loans, and non-need-based awards from the institution, state and federal

government. The Student Choice Grant Survey was distributed each year to member institutions with the goal of determining which counties were generating the greatest number of Student Choice Grant recipients. Robert Burke, director of research for AICUO, noted that data collected from this survey was particularly important to the lobby association as the Student Choice Grant had come under increasing pressure for reductions or reformulation to allow for reallocation of funds to need-based aid programs benefiting a wider population (interview, June 1, 2007).

In addition to emphasizing the public benefit of private higher education and lobbying for increased funding for students attending these institutions, Burke also noted that AICUO had continually lobbied the legislature to amend the re-authorization process for private institutions and new academic programs of these institutions. He noted that two- and 4-year public institutions need only complete the authorization process one time at the institutional level and then for each corresponding new program added. However, private institutions, as previously discussed, were required to participate in a periodic review to maintain a certificate of authenticity. The Association argued that this was unequal treatment and pushed for changes to the state laws which dictated this mandatory process (interview, April, 23, 2008). Sr. Francis Marie Thrailkill and C. Todd Jones, president of AICUO, also noted this as a significant concern among private institutions in Ohio (interview, June 13, 2008; interview, June 23, 2008). However, Larry Christman, former president of AICUO from 1981-2006, suggested that the action by the state to require a 10 year reauthorization process seemed appropriate. He furtherer noted that when the original legislation to establish the 10-year requirement was approved it was done so at the behest of AICUO and its member institutions as a way to ensure parity and

quality control among member institutions and any future private institution (interview, July 2, 2008).

Burke also stated that AICUO also continued to lobby for increased state funds to support research undertaken at Case Western Reserve University and the University of Dayton, identifying both institutions in the top four research universities in the state. Finally, he argued that the Association also had established and worked diligently to maintain a relationship with the State Board of Education because of the impact decisions made by that board had on private higher education teacher preparation programs (interview, June 1, 2007).

The Ohio Higher Educational Facility Commission. The Ohio Higher Educational Facility Commission was created in 1968 to assist independent not-for-profit institutions of higher education finance the construction, renovation or rehabilitation of educational facilities through tax exempt bonds. Ohio recognized that assisting private higher education in securing financing to campus renovation and physical plant updating would provide a benefit to the entire state's higher education system. Therefore, the Ohio Higher Educational Facility Commission was authorized to provide support to educational institutions designated as not-for-profit institutions and which held an effective certificate of authorization issued under Section 1713.02 of the Ohio Revised Code. More specifically, institutions eligible for support through this Commission were independent, nonprofit colleges, universities and other institutions offering instruction in recognized academic and professional fields, which had been authorized by the Board of Regents to award degrees (Ohio Higher Educational Facility Commission, 2007).

The Commission was composed of nine members, one of whom is the Chancellor of the Ohio Board of Regents, or a designee of the Chancellor, and eight of whom were appointed by the Governor with the advice and the consent of the Ohio Senate. The Commissioners were appointed for an 8-year term and received no compensation for their services. Additionally, the Commission was recognized as an independent government agency and had no direct reporting line to the Ohio Board of Regents. However, the Commission worked closely with the Board of Regents and benefited from the staff and resources of the Board in three primary ways. First, the Board of Regents maintained all commission files, including accounting specific records. Second, the Board coordinated the application process for those private institutions looking to the Commission for funding and coordinated communication between the applicant institution, the Bond Counsel, and Commission members. Finally, the Board of Regents provided programmatic and financial analysis of projects being considered by the Commission for funding (Ohio Higher Educational Facility Commission, 2006).

During the almost 40-year history of the Commission it has authorized over 180 bond issues totaling over \$2.2 billion to assist the financing projects on 47 private higher education campuses in the state. Of these, over 160 were approved and financed between 1980 and 2006 with \$2.106 billion in allocations. According to OHEFC records, the top six recipient institutions between 1980 and 2006 were Case Western University, the University of Dayton, Xavier University, John Carroll University, Oberlin College, and Kenyon College. Together, these six institutions accounted for 86.4% of funding allocated by the Ohio Higher Educational Facilities Commission during this time.

Case Western University received over \$689 million in funding for projects including renovations of campus residence halls, library renovations, building and updating of the medical school, and renovation or building of academic buildings and campus grounds. The University of Dayton received the second highest level of funds through the OHEFC. Funding totally over \$502 million was used to renovate campus housing and dining facilities, build a law school, and build or renovate a variety of academic and athletic facilities on the campus. Oberlin College received over \$251 million for projects ranging from the renovation of academic buildings and the library to campus housing. Xavier University followed as the fourth highest funding recipient with over \$239 million in project funding for the building of residence halls, a new student center, convocation center and basketball arena and renovation of campus academic and administrative buildings. Rounding out the top six recipients was Kenyon College which received just over \$211 million for projects including a new student center, renovation of campus housing facilities as well as academic and administrative buildings. Each of these institutions, as well as others in the recipient pool, also used funding from the Ohio Higher Educational Facility Commission to reorganize previously granted loans by the Commission (OHEFC, 2006).

OhioLINK. Established in 1987 as a joint venture between Ohio's public libraries and the Ohio Board of Regents, OhioLINK is an effort to create a state-wide electronic database of books, electronic databases, journals, e-books, and a variety of other library materials housed throughout the state. Moreover, this electronic database was also designed to facilitate easier access to these resources by Ohio residents and students enrolled in Ohio's higher education institutions. OhioLINK users could search a database

of over 46 million library materials throughout the 87-member libraries, including 47 private higher education institutional libraries, two public libraries, including the State Library of Ohio, and the Center for Research Libraries, and request and hold materials for up to 15 weeks (OhioLINK, 2007). Private higher education institution membership in OhioLINK is documented in Appendix H.

OhioLINK became active in 1990 after securing the technological support necessary to create a searchable state-wide database of member institutions and previously existing databases. Later, in 1992 six public institutions began utilizing this system to benefit the students on their respective campuses and by 1996 OhioLINK was accessible on line via the World Wide Web (OhioLINK, 2007). Governance of the OhioLINK project and ongoing operations was managed by a 13-member voting board representing the public university, community colleges and private institution members, as well as participating local libraries and the Board of Regents. Members of the board were appointed by the Board of Regents and focused the attention of the governing board on issues of strategic direction and fiscal health of the program (OhioLINK, 2007). For the private higher education institutions, membership in OhioLINK provided a direct benefit by dramatically expanding the limited library resources available to enrolled students on each respective campus. Through OhioLINK, students enrolled in member institutions, as well as faculty and staff of these institutions, had broader access to primary sources. Furthermore, membership allowed individual institutions to be more selective in the purchase of subscriptions and resource purchasing based on availability of similar or identical resources through other member institutions.

Finally, OhioLINK served as another example of the Board of Regents' effort to include private higher education in state-wide planning without a requirement for participation. Moreover, Larry Christman noted that "there is no other state in the country where the publics and the privates are together like they are with OhioLINK" (interview, July 2, 2008). Each private institution, as well as public or community college, had the opportunity to choose membership. If membership were chosen, then the joining member was required to fund the necessary upgrades and changes to the institution's library system to support OhioLINK participation. However, if an institution chose not to participate there was no penalty from the Board.

Ohio College Access Network. The Ohio College Access Network (OCAN) was founded in 1999 as a 501(c)(3) organization to provide "leadership and support for Ohio college access organizations" (OCAN, 2006) while working closely with local business leaders, the Ohio Board of Regents, and the Ohio Department of Education to increase college enrollment rates in the state. The organization was the first of its kind in the nation and focused on helping the state's residents pursue higher education by building and supporting local college-access programs throughout the state. OCAN provided technical support, professional development and grant opportunities to 35 college-access programs in over 200 of Ohio's school districts. More specifically, OCAN focused on increasing low income and first generation student enrollment rates by providing financial aid, college application advising, "last dollar scholarships," coordinating campus visits, supporting students preparing for entrance exams, and career guidance and planning (OCAN, 2006).

This organization was designed specifically to assist with increasing access to higher education in Ohio by focusing on increasing awareness and preparedness of Ohio's K-12 students. In addition, OCAN provided a coordination resource for the administration of local and organization-based scholarships and grants for students attending public and private institutions of higher education in the state. Although not directly involved with the delivery of private higher education in Ohio, the combined goals of increasing awareness and providing limited financial assistance to Ohio high school graduates choosing to pursue a higher education degree supported the overall higher education access goals of the state in the public and private sector.

Ohio Third Frontier Project. In 2002 Ohio initiated the Third Frontier Project, which was designed to expand the high-tech research capabilities in Ohio while simultaneously promoting innovation and attracting technology-focused companies to the state. This project was the single largest commitment by the state in its history focused on research development and allocated over \$1.6 billion for a ten year period. The project was specifically designed to provide grant monies to public and private institutions in conjunction with technology and research companies to creatively and aggressively increase the "quality of research that has commercial relevance for Ohio" (Third Frontier Project, 2006). Governor Taft stated that the Third Frontier Project was one of three major goals of his administration with respect to higher education while he was in office. He described the Third Frontier Project as follows:

We wanted to build a research base at the universities to stimulate Ohio's economy, and we did that through our Third Frontier program, which was a competitive grant program incentivizing partnerships between research institutions, including universities public and private and Ohio businesses to stimulate new products, innovation and the commercialization of research from

universities in ways that would advantage the Ohio economy in sectors that we had a strong research base and also a relatively strong business base (interview, June 20, 2008).

An additional goal of the Third Frontier Project was to assist the state with its conversion from a significantly weakening agricultural and industrial-based economy to an economy grounded in the technological, research and service based industries. In fact, Governor Taft noted that a key component of this program was the allowance of private universities to compete with public schools for research dollars through the Third Frontier Project. He further noted that the involvement of the private institutions, such as the University of Dayton and Case Western Reserve University, demonstrated the importance Ohio placed on incorporating the private sector in efforts to address state need. In fact, through this program two private higher education institutions, Case Western Reserve University and the University of Dayton, have secured over \$66.5 million in grant funding (Third Frontier Project, 2008).

The Third Frontier Project was governed by the Third Frontier Commission, which was established by the Ohio legislature in 2003 and whose membership included the director of the Ohio Department of Development, the Chancellor of the Ohio Board of Regents, the Governor's science and technology advisor, and six regional commissioners appointed by the Governor.

Based on Zumeta's (1996) description of states with central-planning or market-competitive policy postures, I expected to find long-standing lobby organizations working to exert influence on behalf of private higher education in Ohio. I also expected to find state commissions and other organizations that actively included private higher education in state-wide planning for higher education. As I have discussed in this section,

these organizations and commissions have played a significant role ensuring that private higher education was actively involved in state wide initiatives between 1980 and 2006.

The Association of Independent Colleges and Universities (AICUO) was well positioned throughout the majority of my study time period to maintain access and involvement with policy development and initiatives partially because of Larry Christman's background as a former state legislator and long history of involvement with state policy creation. The effectiveness of AICUO in lobbying on behalf of private higher education institution and their students can most clearly be seen in the creation and funding of the Ohio Choice Grant. Furthermore, the open invitation to private higher education institutions to participate in OhioLINK and the Ohio College Access Network serve as clear indicators of Ohio's recognition of the private sectors importance in meeting state higher education objectives and the willingness of the state to partner with this sector. Furthermore, these programs served to encourage some competition between the public and private sector by ensuring comparative information was easily available to Ohio residents. More over, programs such as the Third Frontier Project serve as a prime example of Ohio's market-competitive posture toward private higher education while the Ohio Educational Facility Commission exemplifies Ohio's central-planning tendencies.

Summary

This case study was organized and presented around the following major categories of information collected for analysis: a) the state context for higher education in Ohio, b) the Ohio governance and leadership structure, c) the characteristics and history of higher education in Ohio, and d) Ohio higher education governance. These four categories provided the primary framework for collecting and analyzing the wide range

of data and resources used to explore the questions I asked about Ohio private higher education in this study. These categories also helped me to frame my discussion of Zumeta's (1996) scheme for describing Ohio's policy posture toward private higher education.

The Ohio Governance and Leadership Structure

During the first 11 years of my study Ohio was led by a Democrat governor and a Republican legislature. For the remaining 16 years Republicans controlled both the governorship and the legislature. Interestingly, significant higher education initiatives were founded throughout this time period. Such initiatives included the Student Choice Grant in 1984, OhioLINK in 1987, the Ohio College Access Network in 1999, and the Third Frontier Project in 2002. These examples demonstrate a select few of the ways that state leadership looked to assist higher education despite challenging economic times. In fact, St. John and Parsons (2004) noted that many states took some time to begin reinvesting in higher education following the early 1990s recession and Ohio certainly demonstrated similar trepidation.

The Ohio Board of Regents, the higher education governance structure for Ohio, served as advisors to the Governor and Legislature; however, the Governor had little direct power over the Regents beyond the Governor's role in the budget process. The limited ability of the Governor to direct the Board of Regents resulted in higher education policy changes being indirectly pursued through blue ribbon commissions such as the Governor's Commission on Higher Education and the Economy (2004). The relationship of the Board of Regents with the Governor and the general design of the higher education

governance structure supported Schick et al.'s (1992) and McGuinness' (2001)

classification of Ohio as a coordinating board system.

Ohio's budget during my study time period showed increasing expenditures in numerous sectors; however, this did not include higher education. Additionally, Ohio's high level of taxes on individuals and families exacerbated the challenging economic issues present in Ohio during my study time period. Coupled with rising tuition in all sectors of higher education, the high tax burden further complicated the ability of families to afford higher education. The combination of high taxes and additional budgetary commitments in non-discretionary areas resulted in Ohio focusing its efforts to maintain existing per capita funding levels for higher education in similar fashion to most states, particularly during the 1990s (Zumeta, 2004).

Finally, Ohio established a couple of key policies which directly, and substantially, assisted private higher education. The tax exempt status afforded by Ohio to private higher education allowed these institutions to reallocate significant dollars to student aid, campus infrastructure, and academic support programs that otherwise would have been unavailable to these institutions. I was not surprised by this finding as the tax exempt status of institutions has been well documented (Hines, 1988; Honeyman, 1996; Callan, 1997; Thompson, 2001); however, the tax exempt status was also applied to public institutions and, therefore, cannot be looked at as a specific advantage to the private sector of higher education in Ohio. Nevertheless, the importance of this benefit should not be understated or overlooked in Ohio during a time when budgets were tight, non-discretionary program expenses were increasing, and sources of new revenue for the state were limited.

The Characteristics and History of Higher Education in Ohio

In this chapter I also gave considerable attention to the overall history of higher education in Ohio with particular emphasis on private higher education. As I have described, Ohio's boasts a long history of higher education consisting of a continually increasing number of 2- and 4-year public, private not-for-profit, and proprietary institutions. During my study time period the number of higher education institutions in Ohio increased as did enrollments throughout Ohio's higher education system. However, these increases did not keep up with national averages despite a variety of efforts to increase enrollments including creating new student aid programs (U.S. Census Bureau, 1982a; 1991a; 2003).

Specific to private higher education, the time period of 1980 to 2006 witnessed the closing of two institutions along with the addition of 11 private, 4-year, degree-granting institutions. Enrollment in private higher education substantially out-paced the public 4-year institutions; however, 2-year community college enrollment growth far surpassed other institutions. Within the private sector, Hispanic and Black student enrollment increased and women constituted an ever-increasing percentage of undergraduate enrollments. These increases took place despite a 485% increase in average private higher education tuition rates between 1980 and 2006.

Two key factors contributed to the success of private higher education in Ohio during my study's time period. First, the importance of the tax exempt status awarded to private, not-for-profit higher education institutions cannot be understated. This important state policy allowed private higher education institutions to retain millions of dollars which offered additional flexibility to these institutions in terms of financial aid awards

and operational budgeting. Without this specific benefit, students at Ohio private institutions would likely have had this tax passed on to them via increased tuition and fees, which likely would have had a negative impact on enrollments in the private sector. Secondly, the establishment of the Ohio Choice Grant and the adjustments made to the Ohio Instructional Grant had a major role in supporting the significant growth of enrollment in the private sector. As former AICUO president Larry Christman noted, they key issue for private higher education in Ohio during the 1980s was “finding a way to develop financial aid for students and to do so in a way that was going to reflect the financial need that students had but also would reflect the contributions that the institutions make to the state” (interview, July 2, 2008). The result were programs such as the Choice Grant that demonstrated Ohio’s “recognition that students going to colleges, public or private, are making the same contributions to that state” (Larry Christman, interview, July 2, 2008). Christman’s statement echoed Zumeta’s (1996) description of central-planning policy posture states and reinforced my findings that support Zumeta’s earlier classification of Ohio’s policy posture as including central-planning aspects.

Overall, I found that Ohio’s private higher education sector was a strong contributor to the state’s efforts to expand access to and enrollment in higher education. Moreover, state efforts, particularly in the form of the Choice Grant and revised Ohio Instructional Grant, were inclusive of private higher education and were associated with positive outcomes for private higher education enrollments. Zumeta (1996) noted that market-competitive/central-planning states have among the highest private higher education enrollments of the varied state policy posture clusters he described and my research supports his earlier findings.

In this chapter I also gave significant attention to the governance structure of higher education, the student aid programs coordinated by this structure, the work processes of the structure, and third party entities directly related to the governance of higher education in Ohio. My findings support previous descriptions of the Ohio Board of Regents as a coordinating body for higher education in Ohio (Schick et al, 1992; McGuiness, 2003; Ohio Board of Regents, 2003). Additionally, my research of Ohio's higher education governance structure provided further support to Zumeta's (1996) earlier classification of Ohio as a hybrid of the central-planning/market competitive policy posture. The Board's role as a strong coordinating board was clearly stated in the Ohio Revised Code, which also served to indicate the extent to which Ohio included private higher education statewide planning and the extent of mandates affecting private higher education. Together, this information demonstrated the aspects of Ohio's policy posture that more closely aligned with Zumeta's (1996) central-planning posture.

My discussion in this chapter also noted that in the early 1980s private higher education had less involvement in statewide planning than toward the later years of my study. It is evident that during my study's time period, the efforts of the Association of Independent Colleges and Universities of Ohio (AICUO) converged with the interests of members in the legislature, governor's office, and Board of Regents. This convergence resulted in greater receptivity in the higher education governance structure for private higher education and set the foundation for the market-competitive aspects of Ohio's policy posture to emerge. As a result, the state's higher education governance structure more readily accepted and sought out involvement from the private sector in state-wide

planning efforts, budget planning, and program implementation. However, my study was not able to clearly identify and discuss the extent of state mandates impacting private high education. Furthermore, my study was not able to determine if such mandates were excessive.

This key component of Zumeta's (1996) scheme was difficult to explore; however, state initiatives, such as the Third Frontier Project, provide an example of how Ohio established mandates for private higher education institutions. Generally, I found these mandates to be associated with programs and services that private higher education institutions opted into and, therefore, knowingly accepted. Outside of such circumstances, the private sector of higher education experienced little interference from the state or the Board of Regents with three notable exceptions. These exceptions included: 1) the creation and funding of the Ohio Choice Grant in 1984; 2) the authorization process employed by the Board of Regents to coordinate certification of new degree programs and the on-going operations of existing private higher education institutions; and 3) the credit transfer and articulation agreements. Once again, these examples of Ohio's interference with private higher education provide support to Zumeta's (1996) earlier hybrid classification of Ohio's higher education policy posture.

Finally, the Ohio Choice Grant was consistently identified by those I interviewed as the most significant initiative by the state in support of private higher education during my study time period. At the same time, there was disagreement between private higher education institutional leaders, lobbyists, and state officials with respect to general impact of the state government on private higher education. However, the limited number of interviews I conducted severely limits my ability generalize these conflicting

perspectives. Despite the apparent disagreement between those in private higher education and those in state government roles, I observed that Ohio's policy posture appeared to move toward encouraging greater cooperation and partnership between the public and private higher education sectors. Furthermore, I observed that private higher education seemed increasingly willing to accept additional regulations or mandates as conditions of participation and use of allocated funding by the state. Outside of these programs, Ohio government impact on private higher education appeared to be indirect in nature and tied to state requirements for preparation of professionals in careers such as teaching and nursing.

CHAPTER V

DISCUSSION

The purpose of my research was to present a case study of private higher education in Ohio between 1980 and 2006 using Zumeta's (1996) scheme for understanding the policy posture of Ohio toward its private higher education sector. The primary research question for my study was: What are the trends in Ohio educational policies incorporating greater governance and financial support of private higher education in Ohio from 1980 to 2006? I explored the primary question by subdividing it into five more specific questions:

1. What is the impact of state government on private higher education in Ohio?
2. How have historical factors from 1980 through 2006 influenced the current design of Ohio's higher education governance structure and financial support of the private sector?
3. What is Ohio's policy posture, as defined by Zumeta (1996), toward private postsecondary education?
4. What are the funding mechanisms and policies affecting private higher education in Ohio?
5. To what extent has the private higher education sector been incorporated into statewide planning and implementation of the postsecondary education delivery system in Ohio?

In summary, my study showed that the general state context for higher education in Ohio between 1980 and 2006 was shaped by deteriorating economic factors, stagnating

population growth coupled with a rapidly aging society, fluctuating state income and increasing expenditures on areas such as corrections, transportation and social services. Taken together, these factors challenged state leaders to explore, implement, or expand funding programs to encourage student enrollment and completion. However, despite such efforts, the enrollment and graduation rates in Ohio were lower than states with comparable populations. Throughout my study time period, these challenges provide the context for understanding the state's approach to higher education and the application of Zumeta's (1996) policy posture scheme to Ohio.

My study demonstrated that Ohio private higher education benefited by being included in state-wide planning. Additionally, private, 4-year, higher education enrollments grew at a substantially faster pace than in the public, 4-year sector. Ohio's private institutions also drew benefit from the creation of the Ohio Choice Grant, which channeled state dollars to Ohio residents enrolling in private institutions. These findings, combined with Ohio's low population growth throughout my study time period, comparatively low need-based aid per resident, and low overall higher education participation rates provide support to Zumeta's (1996) description of Ohio's policy posture as a hybrid market-competitive/central-planning policy posture. The following sections discuss the results of my findings and discuss their implications for policy and research as well as future research recommendations.

Discussion of Results

The results of my study illustrate that my primary research question concerned with identifying the trends in Ohio educational policies incorporating greater governance

and financial support of private higher education between 1980 and 2006 can be answered by considering the time line of events in Ohio.

Table 43

Ohio Higher Education Timeline, 1980-2006

Year	Governor ^a	New Initiatives	Grant Aid ^b	Total Grants ^c	Private Higher Education		
					Undergrad Enrollment	Market Share ^d	Average Annual Tuition
1980	Rhodes (R)	-	-	-	75,830	25.3%	\$3,181
1984	Celeste (D)	Ohio Choice Grant	-	\$55.50	77,591	25.8%	\$4,770
1988	Celeste (D)	-	\$161	\$72.86	84,308	26.1%	\$6,837
1989	Celeste (D)	Articulation & Transfer Policy adopted	-	-	-	-	-
1992	Voinovich (R)	OhioLINK, Parti-Time OIG	\$314	\$94.13	91,173	27.5%	\$9,223
1996	Voinovich (R)	Master Plan update	\$432	\$129.02	92,721	29.8%	\$11,029
1999	Taft (R)	OCAN	-	-	-	-	-
2000	Taft (R)	1 st Higher Ed. Performance Report	\$473	\$174.18	96,312	31.0%	\$13,027
2002	Taft (R)	Knowledge Economy Awareness Initiative (CHEE)	-	-	-	-	-
2004	Taft (R)	Third Frontier Project	-	\$239.04	103,928	31.6%	\$16,672
2006	Taft (R)	-	-	-	106,876	32.2%	\$18,621

^a Governor's political party affiliation noted by "D" for Democrat and "R" for Republican. ^b Grant aid is for Ohio reported grant aid per undergraduate student. ^c Total grants is reported in millions of dollars. ^d Market share for private higher education equals private higher education undergraduate enrollment divided by total 4-year undergraduate enrollment in Ohio.

In Table 42 I present important happenings in Ohio's higher education history between 1980 and 2006. Major initiatives by Ohio's higher education governance system serve as the backbone of this time line. It is important to recall that Ohio's population growth was anemic, personal income growth lagged the national average, and core industries continued to shrink. Together these factors placed significant pressure on state government to re-tool Ohio residents and increase college enrollment as one way to boost the Ohio economy and grow jobs. As Table 42 illustrates, the state engaged in eight significant initiatives to increase college enrollment and grow the Ohio economy. The result was a general trend in Ohio private higher education policy toward increased integration in statewide planning and generally expanding financial support.

The most significant of these was the Ohio Choice Grant in 1984. Not surprisingly, private higher education enrollment, and the corresponding market share of this sector, both increased subsequent to the creation of the Choice Grant. However, private higher education annual tuition grew at a pace that exceeded increases in state grant aid. Furthermore, initiatives such as OhioLINK and the credit transfer and articulation agreements serve as key indicators of Ohio's efforts to integrate private higher education into statewide planning to meet state higher education goals. The Third Frontier Project also exemplified Ohio's willingness to award state dollars to private institutions for innovative programs and projects designed grow Ohio's economy. I turn now to the sub-questions that provided greater direction and depth to my study.

Impact of State Government

My study indicates that my research question regarding the impact of state government on private higher education can be answered by exploring: 1) the structure of

the Ohio Board of Regents, the higher education governance body; 2) initiatives of the Board of Regents during my study time period; and 3) state action in Berdahl's (1978) categories of necessary state interference (i.e., recognition, tax policy, and student aid).

Schick et al (1992) and McGuiness (2002) argued that the higher education governance structure of a state provided insight regarding the state's impact on higher education. More specifically, Schick et al. (1992) and McGuiness argued that coordinating boards, such as Ohio's, should have significant roles in budgetary and academic program review and tend to place great emphasis on long-range strategic planning for the system as a whole, policy analysis, and consumer advocacy for issues relating to student aid. This is clearly the case in Ohio as budgetary and academic program review each are explicitly identified as responsibilities of the Board of Regents. Furthermore, the Board of Regents was clearly engaged in on-going long-range strategic planning for Ohio's higher education system. More importantly, despite the clear focus on public higher education, the private sector was actively included in these efforts and the resulting policy changes and programs.

Zumeta (1996) also argued that such governance structures often enhance private sector involvement in statewide planning. While I did not compare Ohio private higher education's involvement in statewide planning with any other state, my study provides a variety of examples wherein private higher education was directly involved in statewide planning. Initiatives of the Ohio Board of Regents such as creation of the Choice Grant, re-design for the Ohio Instructional Grant, funding of the Ohio Higher Educational Facility Commission, and OhioLINK serve as clear examples of Ohio's willingness to

incorporate private higher education into long-range planning and, simultaneously, provide insight regarding Ohio government's impact on private higher education.

Berdahl's (1978) concept of "necessary interference" stated that institutional and program recognition, state tax policy, and student aid policy served as key areas of state influence on private higher education. My study demonstrated the financial benefit to higher education institutions has been related to their tax exempt status. Furthermore, my study noted that Ohio government, through the power of the Ohio Board of Regents, has authority over the authorization of new institutions and programs. More importantly, the impact of state government on private higher education in this area is such that every ten years private institutions must apply for re-authorization. This means that Ohio, through the Board of Regents, has the power to regularly review the operations of private institutions in the state and make determinations about the long-term feasibility of the institution to operate in the state. In addition to these areas of impact, Ohio's government also establishes policy and procedure in areas such as teacher and nurse preparation. These policies influence the design of specific academic programs regardless of their public or private affiliation.

Historical Factors Influencing Governance Structure and Financing

My study indicates that my research question regarding the how historical factors between 1980 and 2006 influenced the design of Ohio's higher education governance structure and financial support of the private sector was difficult to answer. First, the general structure of the Ohio Board of Regents remained relatively steady throughout my study time period. I did not find any indication that significant changes had occurred to the Board of Regents outside of those necessary to support new programs or services.

Changes in student aid programs, such as the creation of the Student Choice Grant, resulted in additional funding and tracking responsibilities to the Board of Regents; however, I did not find evidence of changes to the Board's structure because of this change. Furthermore, while Governor Taft's 2000 request of the Board of Regents to create an annual report on college performance resulted in additional data collection responsibilities, I did not find any evidence of structural changes to the Board of Regents to support this additional task.

With regard to historical factors influencing state financial support to private higher education, the economic stagnation in Ohio limited the state's ability to maintain, much less expand fiscal support to private higher education. Ohio's high tax rate generated increasing revenues to the state; however, few of the additional fiscal resources were directed to private higher education as these funds were directed to corrections, service industries, and local governments. Once again, I did not find evidence of changes to Ohio's higher education governance structure as a result of these fiscal challenges. However, Ohio's failure to maintain higher levels of fiscal support resulted in tuition increases throughout higher education. These factors served as key indicators of Ohio's policy posture toward private higher education, which was the focus of the third sub-question in my study.

Ohio's Policy Posture

Zumeta (1996) argued that six key policies serve as indicators of a state's policy posture toward private higher education. He further argued that Ohio's policy posture toward private higher education was a hybrid of the central-planning and market competitive postures. Zumeta argued that states with this hybrid model generally have

strong and politically influential private higher education sectors, yet state government primarily focuses on the public sector. He further argued that in this policy posture states actively include private higher education in statewide planning, permit competition between sectors, and coordinate the collection and dissemination of institutional and performance information about the higher education system.

My research regarding Ohio's policy posture toward private higher education indicated that Zumeta's scheme is a useful tool for framing research. More specifically, my research supported Zumeta's (1996) earlier classification of Ohio as a central-planning/market competitive hybrid posture state. My evidence supporting this classification was most readily identifiable through my analysis of changes in Ohio's financial support of student aid programs targeting students in private higher education, direct payments to this sector, and the extent of private higher education's involvement in statewide planning. However, my analysis of state higher education tuition levels, the duplication of private higher education programs in public institutions, and the extent of state mandate affecting private higher education provided less supporting evidence than I anticipated.

As I have previously noted, Ohio's large private higher education sector and the extensive history of this sector both served as important supportive indicators of Ohio's central-planning policy posture. With regard to Zumeta's (1996) scheme, the long history and number of higher education institutions, particularly private institutions, serves as a further indicator of Ohio's hybrid central-planning/market competitive policy posture toward private higher education. Furthermore, my research showed ample evidence of Ohio's involvement in statewide planning and influence on state policymaking for higher

education (i.e., the Ohio Choice Grant, OhioLINK, the Higher Education Facilities Commission, and the Third Frontier Project). However, I am not able to determine from my research if the central-planning aspects of Ohio's policy posture are a result of the long history of private higher education in the state or if Ohio exhibited a central-planning posture over an extended time period that permitted the growth of the private sector to the levels I documented between 1980 and 2006.

Based on Zumeta's (1996) scheme and classification of Ohio's policy posture, I expected to find wide gaps in the tuition levels of the private and public sectors. My analysis of tuition levels of both sectors provided evidence of a tuition gap between these sectors and gave further support to the central-planning/market competitive posture. As I have noted, Zumeta (1996) also argued that central-planning states tend to provide less direct funding to private higher education institutions while market-competitive states provide similar opportunities to secure direct state funding to both sectors. I also found that a majority of Ohio's private institutions were recipients of state aid to support student enrollment. Zumeta (1996) noted this as an indicator of the central-planning posture, but not the market-competitive posture. Programs such as OhioLINK and the Third Frontier Project provide evidence of Ohio's willingness to directly allocate funds to private institutions for specific state needs. These programs serve as evidence of Ohio's market-competitive policy nature; yet, I found few of these opportunities available to private higher education. However, a small number of institutions (i.e., the University of Dayton and Case Western Reserve University) received substantial funding from the state to support programs and services that helped to address state needs.

Funding Mechanisms and Policies

My study also analyzed Ohio's state aid programs and policies to find evidence indicating Ohio's policy posture toward private higher education as well as to identify those directly impacting private higher education. Specifically, I analyzed Ohio's student aid programs and tax policy for higher education.

With regard to student aid programs, I documented an increasing trend of state funding of both need-based and grant aid between 1980 and 2006; however, these increases failed to keep up with the national average increases resulting in Ohio falling in state rankings. These lower rankings demonstrate that, irrespective of tuition levels or actual cost to attend, Ohio's commitment to student aid funding did not keep up with enrollment increases experienced between 1992 and 2006. Furthermore, Ohio's aid programs emphasized direct aid to students and helped to off-set the substantial differences in the average tuition between public and private institutions. This finding, particularly when coupled with the findings on state tuition levels, provides further indication of that Ohio's central planning policy posture.

Of particular note was Ohio's creation and funding of the Student Choice Grant in the mid 1980s. The Choice Grant was one of the most substantial student aid programs targeting the private sector rolled out in the 1980s and demonstrated Ohio's clear recognition and support of private higher education. While funding of this grant program did not maintain upward momentum throughout my study time period, it is important to note that Ohio continually chose to fund this program despite a slowing economy and tightening fiscal resources. Additionally, programs such as the Ohio Instructional Grant and Ohio Academic Scholarship provided significant funding to students enrolled in

private institutions. In fact, Ohio residents meeting the financial need requirements were eligible to receive substantially more state dollars than students of similar need attending state institutions. This is further example of Ohio's commitment to supporting private higher education and of Zumeta's central-planning/market competitive policy posture description of the state.

The design and scale of Ohio's student aid programs also provided further illustration of Zumeta's (1996) hybrid central-planning/market competitive policy posture in Ohio. As my research demonstrated, Ohio employed a variety of targeted aid programs that were designed to level the competitive playing field between public and private institutions while simultaneously encouraging academic programs to meet developing economic and professional needs in the state. Zumeta (1996) argued that these types of aid programs are typical found in a state with a market-competitive posture because they help focus aid dollars on programs that specifically address state needs.

Private Higher Education and Statewide Planning

My final research question regarding the extent of private higher education's inclusion in statewide planning can was also difficult to clearly answer. While I found numerous indicators that Ohio was open to private higher education's involvement in statewide planning, it was also clear that the state higher education governance structure prioritized the public sector. My research documented multiple examples of the private sector's direct involvement in the creation and implementation of new programs such as Third Frontier Project and the redesign of the Ohio Instructional Grant into the Ohio College Opportunity Grant. Additionally, this finding, particularly when coupled with the

findings on state tuition levels, provides further indication of that Ohio's central planning policy posture.

The Association of Independent Colleges and Universities of Ohio (AICUO) was regularly involved in the representation of private sector issues and needs to the governor and state legislators. Moreover, private higher education institutions are encouraged to participate in programs such as OhioLINK and the Ohio College Access Network. The University of Dayton and Case Western Reserve University serve as two examples of private institutions directly involved in significant state programs (i.e., the Third Frontier Project) designed to revitalize Ohio's economy. Furthermore, each private institution offering education and nursing baccalaureate degrees serve as individual examples of direct private institution involvement in statewide planning.

Zumeta (1996) argued that central-planning states fully embrace the private sector as an integral part of their higher education capacity and use extensive mandates, planning mechanisms, data collection, and aid to institutions to implement the overall higher education plan for the state. While evidence clearly demonstrates that in Ohio private higher education has been "at the table" of state policy-making discussions regarding higher education, the interviews I conducted suggested that private sector interviewees wanted greater involvement and increased consistency of fiscal support by the state. The Ohio Board of Regents, as part of its data collection responsibilities, also collected and disseminated information about private higher education. This evidence suggests that the central-planning posture alone does not best describe the Board of Regents posture toward the private sector and further supports the hybrid posture identified by Zumeta (1996). However, I did not find clear evidence of Ohio fully

embracing the private sector or that the Board of Regents had established extensive mandates concerning the private sector, which are also indicators of the central-planning posture. In fact, I found it difficult to quantify the extent of private sector involvement in statewide planning or the Ohio's policy posture in this regard.

Summary

My study explored private higher education in Ohio between 1980 and 2006 with a goal of using Zumeta's (1996) scheme to describe Ohio's policy posture toward private higher education. I explored the demographic, economic, and government environment in which private higher education operates. I also explored private higher education's history, enrollment and tuition trends, student aid program, the financial workings of this sector's institutions, and the state governance structure that oversees higher education in Ohio. My exploration revealed a private higher education sector with a long and strong history in Ohio, consistent enrollment growth during my study time period, and a financial picture that clearly involved the support of Ohio's government systems. Zumeta (1996) argued that Ohio policy posture toward private higher education was a hybrid of his central-planning/market-competitive posture. As I discussed in this section, I found evidence that supports his description in each of the areas I explored. Therefore, I turn now to discuss policy and research implications of my study.

Implications

Research on public policy and private higher education is plentiful; however, with few exceptions the existing studies focused on either federal policy to support higher education nationally or state policy for the public sector of higher education. As a result, I found relatively little research exploring private higher education from a public policy

perspective with the notable exceptions of Breneman and Finn (1978), Astin and Inouye (1988), `Zumeta (1992, 1996, 2004), and Thompson and Zumeta (2001). Moreover, I was not able to locate a study specifically focusing on one state and the relationship between that state's public policies toward higher education and the private higher education sector. As a result, my study provides a unique way of considering private higher education and, more importantly, demonstrates the general usefulness of Zumeta's taxonomy for classifying the relationship between state governance and private higher education. Therefore, I discuss the following policy and research implications with respect to Ohio policy concerning private higher education and the use of Zumeta's taxonomy for determining the state's policy posture to clarify my study's findings.

Policy Implications

My study demonstrates that private higher education is helped out by being included in state-wide educational planning. Programs such as OhioLINK and the Third Frontier Project specifically bring together the resources of Ohio's private and public sectors to benefit Ohio residents. Larry Christman, former executive director of AICUO, offered that "the role of the state [with respect to higher education] is to provide higher education opportunity for Ohio citizens" (personal communication, July 2, 2008). Christman's statement is a direct challenge to state legislators and governors to explore the opportunities available to the state's residents by way of private higher education. Christman's statement also echoes Zumeta's (1996) argument that state's engaging in market-competitive policy practices, which recognize the private sector as equal to the public sector, often see the best results. However, I am not able to determine from my research a cause-effect relationship as this was not the purpose of my study. Therefore, I

am not able to identify what differences may present themselves in states with smaller or less established private higher education sectors than what I found in Ohio.

A second policy implication of my research is that Ohio's awarding of state need-based and grant aid directly to students to clearly benefits private higher education. Inevitably, private higher education tuition rates will be substantially higher than those in the public sector, particularly when the 2-year public sector is included. Zumeta (1992) noted that "if student aid and other carefully designed incentives and other policies can lure [additional students] into the [private] sector at lower per student cost to the state, both participation and fiscal goals [of the state] seem likely to be best served" (p. 390). In other words, states should look for more ways to financially support private higher education and to directly include the private sector in meeting state higher education needs.

My study confirms that the policy of providing direct aid to students attending private institutions benefits the private higher education sector as well as the overall higher education sector. As my study indicated, the private sector of higher education often provides niche educational environments that allow for student success when students otherwise might not succeed. For example, the diversity of religious affiliated institutions and a historically black college provide a higher education environment substantially different from public 2- and 4-year institutions in Ohio. While my study did not analyze graduation rates between institutional types, the increase in private higher education enrollment during my study time period suggests that the diversity of institutional affiliations may have aligned with diverse student needs and interests that, in turn, supported increased enrollment in this sector.

States that are interested in expanding overall higher education enrollment without adding the significant costs associated with expanding facilities on public campuses can look to my case study of Ohio to see positive result of targeted student aid programs. If, as Zumeta (1996) suggests and my case study demonstrates, a vibrant private sector of higher education is good for the state, then policy makers must consider the effectiveness of state aid policies and practices that limit funding to public-enrolled students.

More specifically to Ohio, as the state continues to struggle to increase enrollment and graduation rates, expanding partnerships with the private sector can provide Ohio with a cost-effective and, arguably, more efficient resource as suggested by Zumeta. However, I am basing this recommendation on the assumption that state leaders in the governor's office, the legislature, and the Board of Regents recognize that the role of the state, vis a vis private higher education, is to carefully consider how the state uses all of its resources to help Ohio citizens gain a higher education.

A fourth policy implication of my research is that giving money to private higher education is not innocent, for it means taking it from somewhere else. In Ohio, the Choice Grant was established during a time of increasing financial resources for the state yet, over time, significant financial constraints presented themselves as the economy further deteriorated. Furthermore, in addition to the increase costs of social service programs and corrections, the federal government continues to pass expenses to the states. Together, this limits the amount of discretionary fiscal resources available to states that can be allocated to private higher education. As a result, state leaders must recognize

and understand what will be left unfunded if limited resources are allocated to private higher education and students enrolled in these institutions.

The final policy implication of my research is that greater attention must be paid to the continued expansion of the 2-year not-for-profit sector of higher education in a state. My study recognized the presence of each of the 2-year public institutions; however, I did not give this sector, or its impact on private higher education, much attention. Despite the limited attention I gave this sector in my study, it is clear that the public 2-year institutions were instrumental in Ohio's public sector enrollment growth during between 1980 and 2006. Richardson et al. (1999) noted that attention to the 2-year sector of higher education was an important component of a state's higher education policy development and governance. Ohio clearly has used this sector to its advantage over the past 26 years; however, it is unclear what the resulting impact on private higher education has been, or will be, as a result of this sectors growth. Therefore, future research and policy-makers should pay attention to the role of the 2-year sector in the state and consider the possible impact of providing additional funding to the 2-year sector in lieu of the 4-year private sector of higher education and the resulting impact on the state's ability to achieve its higher education objectives.

Research Implications

My study also raised a variety of research implications in addition to the previously addressed policy implications. First, I found Zumeta's (1996) scheme for characterizing the state policy posture toward private higher education was a useful tool for organizing and presenting my research. Zumeta's scheme identified key state policies that influence private higher education and created a helpful framework for my

exploration of Ohio's private higher education policy environment. However, the length of my study time period created a problem of consistency regarding my data sources. During the 26-year time period of my case study there were multiple changes to primary data sources such as the National Center for Education Statistics Integrated Postsecondary Data System, Ohio Board of Regents reports, and the NASSGAP annual reports. The changes in these reporting systems required me to identify alternative data that were consistently available for the length of my study time period. While in most cases I was able to make this adjustment, the alternative data I used presented a slightly different perspective of state policy for private higher education in Ohio than what was presented by Zumeta. Additionally, I did not secure the perspectives of a wide ranging collection of persons involved in private higher education and state policy toward this sector during my study time period. As a result, I found it difficult to research and discuss certain components of Ohio's policy posture as defined by Zumeta (1996). Future research similar to my study will have to address this challenge and determine a more consistent way of collecting and analyzing data to describe a state's policy posture over an extended time period toward the private higher education sector.

Secondly, my study presents a unique way of researching private higher education and public policy in a state. As I discussed in Chapter 2, the existing literature to date did not offer a way of considering private higher education in a state in relation to public policy. Previous research offered some guidance for exploring higher education and state policy (Astin & Inouye, 1988; Breneman & Finn, 1978; Richardson, et al., 1988; Thompson & Zumeta, 2001; Zumeta, 1996); however, these studies often took a national focus, considered a limited time period, and attended primarily to a state's public sector.

My study took a different direction and attempted to consider one state's public policy toward private higher education over an extended period of time. I found Zumeta's (1996) scheme helpful in this effort; however, I had to create my own methodology to effectively apply his scheme throughout my time period.

More specifically, I combined Richardson et al.'s (1998) framework for studying higher education policy in a specific state with Zumeta's (1996) scheme. The Richardson et al. (1998) framework guided my decision to include a rather extensive consideration of Ohio's demographic and economic environment. Furthermore, this framework also provided direction for my exploration of Ohio's governance structure and higher education governance design. However, Richardson et al.'s framework provided no guidance regarding specific higher education policies to analyze or how to explore private higher education in the state. For these components I looked to Zumeta's (1996) scheme for guidance. Zumeta's (1996) scheme identified general policy areas for exploration and offered some direction on data sources; however, these sources were often national database information and not state-specific. Therefore, I found it necessary to develop my own classification system for gathering and sorting the variety of data and information sources I collected about Ohio and higher education in the state.

Limitations

Three limitations of my study also merit discussion. First, there were numerous direct and indirect state influences on private higher education institutions that I did not research but clearly affected private higher education in Ohio. Zumeta's (1996) scheme identified state mandates on private higher education as an important component in determining the state's policy posture. However, he failed to provide a definition or

classification regarding what is considered a state mandate or regulation and the level of such mandates. The failure to provide this definition allows substantial room for confusion and inconsistent analysis of this component. Additionally, I was not successful in directly connecting “state mandate” policies considered in Ohio to those originally identified by Zumeta. As a result, my study lacked of a clear definition regarding state mandates that may have led to important oversights regarding key policy areas having direct impact on private higher education.

One example of an oversight on my part was the role of the Ohio Department of Education in establishing guidelines and requirements that colleges and universities must follow for teacher preparation and the extent to which there were differing expectations for public and private institutions. This particular policy area was identified by multiple individuals in the interviews I conducted as a “state mandate” policy area. However, because I had not identified this early on in my study, I did not explore the extent of state mandates as demonstrated by the Department of Education on Ohio’s private sector of higher education. This limitation could also be expanded to other academic program areas designed to meet state needs using specific educational attainment objectives such as in the nursing field.

A second limitation of my study is that I treated private higher education in Ohio as one entity. While I used institutional examples to highlight points or demonstrate specific program applications, my study failed to recognize the significant diversity of institutional types present in Ohio beyond simply identifying religious affiliation where present. The monolithic treatment of private higher education resulted in me treating major research institutions such as Case Western Reserve University and the University

of Dayton the same as small, rural, liberal-arts institutions such as the College of Mount St. Joseph or Tiffin University. Furthermore, I also treated religious affiliated institutions such as Xavier University and Wilberforce University the same as non-religiously affiliated institutions such as the Kenyon College and Antioch College despite the differing implications for state involvement and support associated with a religious-affiliated institution. The result of this limitation is that the broad generalizations presented in my study may not be equally applicable to all private institutions in Ohio.

Finally, my use of case study methodology in this research may not have been the most effective way to use Zumeta's (1996)) scheme and present the picture of state policy and private higher education over the course of a 26 year time period. As I have previously noted, I was challenged by changing data sources as well as the difficulty of identifying and tracking down individuals who played significant roles state policy-making for private higher education during my study time period. While I found Zumeta's scheme to be useful in organizing my research plan and reporting my findings, the use of this taxonomy over an extended period of time may not be appropriate. I found that data and interview limitations resulted in my conducting more extensive and substantial document analysis, which may not have been as effective or reliable as a quantitative study over the same time period. Therefore, it might have been better for me to identify specific year intervals and assess at only those points using statistical analysis to identify the changing impact of state policy on private higher education in Ohio.

Recommendations for Future Research

Further research into the relationship of private higher education and state policy is necessary, particularly if such research focuses on the unique dynamic present in a

single state. One implication of my study is that alternative methods must be identified to capture qualitative results over an extended period of time. The particular challenge of future research is to identify a methodology that supports the collection of perceptions and insights from a broad range of private higher education leaders, legislators, and governance executives when many of these leaders were not in place during the earlier dates of this type of study. A survey that combined the use of open-ended questions and multiple choice responses investigating policies and practices as identified by Zumeta (1996) may be one such way of gathering more reliable data than the interview process I used in this study.

My second recommendation for future research is that, while the Zumeta (1996) scheme is a useful tool when analyzing a state's policy posture toward private higher education, researchers must give careful consideration to the length of time over which such a study will occur and the availability of consistent and reliable data sources. Zumeta's (1996) initial study was only included data from a two year time period and provided a helpful snap-shot of a state's policy posture at a given point in time. However, Zumeta's scheme was less agile over the extended 26-year time period of my study. I am not suggesting that Zumeta's (1996) scheme and corresponding findings were not applicable; however, a more effective use of his taxonomy may have been to identify specific data points over a given period of time and run analysis on the data at those points.

A third recommendation for future research is that obtaining access to and using Zumeta's survey tool (1996) would allow for more direct comparison and discussion regarding his original findings and those reported in such subsequent studies. This is

particularly important for comparing specific responses to questions about the extent of state mandates affecting private higher education. My failure to identify and use a consistent survey tool for my study resulted in my collection of fewer first-person perceptions of Ohio's policy posture toward private higher education. As a result, I placed too much weight on those perceptions and insights gathered through the interviews. Furthermore, future research should conduct interviews at the beginning and end of the research should the use of a survey tool not be undertaken.

A fourth recommendation for future research is to expand the classification of institutions studied to include the private, for-profit sector in the studied state. While these institutions represent a small proportion of the private sector enrollment, the trend line in Ohio suggests that this proportion is growing. As an additional sector of higher education expands that state must act to ensure that the developing sector meets basic state standards and requirement established. These state actions require a variety of resources including personnel and fiscal and the allocation of limited state resources to address this growing sector potentially limits the availability of these resources to other sectors, particularly the private, not-for-profit sector.

A final research implication of my study relates to my decision to limit my attention to private higher education in Ohio. I chose to limit my attention to one state so that I could focus on understanding the particulars of Ohio's public policy and private higher education environment and how Zumeta's scheme was useful in developing this understanding over time. Moreover, I was interested in understanding Ohio because, as noted by Hurt (1988), the state has numerous qualities about its demographics, economics, and higher education environment that allow for its general comparison to

other states. Specifically, Ohio has multiple urban areas with numerous institutions and economic forces similar to that of the north eastern part of the United State. The presence of historically black colleges suggests similarities to southern states and the large rural areas and college towns built around agriculture lend to comparison to mid western states. Furthermore, despite these similarities, I was not interested in understanding how Ohio's private higher education policy posture compared with another state. However, I recognize that conducting comparative research between two or more states could help to better explain the particular situation of each state studies. Therefore, future research should explore using Zumeta's (1996) scheme and the methodology I have presented to compare the private higher education policy postures of multiple states.

Conclusion

My study of private higher education in Ohio between 1980 and 2006 showed that Ohio's tended to act from a central-planning/market competitive policy posture (Zumeta, 1996). Private higher education in Ohio has a significant and long-standing role in the delivery of Ohio higher education and the state's higher education governance structure appeared to consistently recognize this role during my study time period. Programs such as the Ohio Choice Grant and the Third Frontier Project serve as key examples of Ohio's continued interest to incorporate private higher education into statewide planning and economic recovery efforts. Furthermore, my study illustrated that Zumeta's (1996) scheme for determining a state's policy posture toward private higher education is a useful tool for both policy makers and researcher.

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Appendix A

Ohio Private Institutions, Founded 1824 – 1850 and Affiliation

Institution Name	Year Founded	Affiliation
Kenyon College	1824	Independent
Case Western Reserve University	1826	Independent
Athenaeum of Ohio	1829	Roman Catholic
Trinity Lutheran Seminary	1830	Evangelical Lutheran Church
Denison University	1831	Independent
Xavier University	1831	Roman Catholic
Oberlin College	1833	Independent
Marietta College	1834	Independent
Muskingum College	1837	Presbyterian Church (USA)
Ohio Wesleyan University	1842	United Methodist
Baldwin-Wallace College	1845	United Methodist
Wittenberg University	1845	Lutheran Church in America
Mount Union College	1846	United Methodist
Otterbein College	1847	United Methodist
David N. Myers University	1848	Independent
Capital University	1850	Evangelical Lutheran Church
Defiance College	1850	United Church of Christ
Heidelberg College	1850	United Church of Christ
University of Dayton	1850	Roman Catholic
Urbana University	1850	Independent

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System and the Higher Learning Commission of the North Central Association of Colleges and Schools.

Appendix B

Ohio Private Institutions, Founded 1852 – 1900 and Affiliation

Institution Name	Year Founded	Affiliation
Antioch College	1852	Independent
Lake Erie College	1856	Independent
Wilberforce University	1856	African Methodist Episcopal
The College of Wooster	1866	Independent
Art Academy of Cincinnati	1869	Independent
Wilmington College	1870	Friends
Ohio Northern University	1871	United Methodist
United Theological Seminary	1871	United Methodist
Ursuline College	1871	Roman Catholic
Hebrew Union College-Jewish Institute of Religion	1875	Jewish
University of Rio Grande	1876	Independent
Ashland University	1878	Brethren Church
Columbus College of Art and Design	1879	Independent
Cleveland Institute of Art	1882	Independent
The University of Findlay	1882	Church of God
John Carroll University	1886	Roman Catholic
Cedarville University	1887	Baptist
Malone College	1892	Friends
Pontifical College Josephinum	1892	Roman Catholic
Bluffton University	1899	Mennonite Church

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System and the Higher Learning Commission of the North Central Association of Colleges and Schools.

Appendix C

Ohio Private Institutions, Founded 1902 – 1966 and Affiliation

Institution Name	Year Founded	Affiliation
Franklin University	1902	Independent
Ohio Dominican University	1911	Roman Catholic
Ohio College of Podiatric Medicine	1916	Independent
Tiffin University	1918	Independent
Cleveland Institute of Music	1920	Independent
College of Mount St. Joseph	1920	Roman Catholic
Notre Dame College	1922	Roman Catholic
Cincinnati Christian University	1924	Church of Christ
Edgecliff College	1935	Roman Catholic
Franciscan University of Steubenville	1946	Roman Catholic
Ohio Christian University	1948	Other Protestant
Borromeo College of Ohio	1954	Roman Catholic
Methodist Theological School-Ohio	1958	United Methodist
Walsh University	1958	Roman Catholic
Laura and Alvin Siegal College of Judaic Studies	1963	Jewish
Union Institute & University	1964	Independent
Mount Vernon Nazarene University	1966	Church of Nazarene

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System and the Higher Learning Commission of the North Central Association of Colleges and Schools.

Appendix D

Ohio Private Institutions Offering 4-Year Degrees After 1980

Institution Name	Year Founded	Affiliation
Antioch University McGregor	1852	Independent
Antioch University PhD Program in Leadership and Change	2001	Independent
Cincinnati College of Mortuary Science	1882	Independent
God's Bible School and College	1900	Other Protestant
Kettering College of Medical Arts	1967	Seventh Day Adventist
Lourdes College	1958	Roman Catholic
MedCentral College of Nursing	1997	Independent
Mercy College of Northwest Ohio	1917	Roman Catholic
Mount Carmel College of Nursing	1903	Roman Catholic
University of Northwestern Ohio	1920	Independent
Winebrenner Theological Seminary	1942	Other Protestant

Note. Data collected from National Center for Education Statistics Integrated Postsecondary Education Data System (2006) and the Higher Learning Commission of the North Central Association of Colleges and Schools (2007).

Appendix E

Ohio Private Higher Education Enrollment Demographics - Gender

Year	Level	Total Enrollment	Men	%	Women	%
1980	Total	94,498	49,085	51.94%	47,413	50.17%
	Undergraduate	75,830	36,945	48.72%	38,885	51.28%
1984	Total	98,272	48,180	49.03%	50,098	50.98%
	Undergraduate	77,591	36,543	47.10%	41,048	52.90%
1988	Total	104,202	48,970	47.00%	55,232	53.00%
	Undergraduate	84,308	38,934	46.18%	45,914	54.46%
1992	Total	113,997	52,241	45.83%	65,398	57.37%
	Undergraduate	91,173	40,868	44.82%	50,305	55.18%
1996	Total	118,131	52,773	44.67%	65,398	55.36%
	Undergraduate	92,721	40,709	43.90%	52,012	56.10%
2000	Total	123,835	53,686	43.35%	70,149	56.65%
	Undergraduate	96,312	41,543	43.13%	54,769	56.87%
2004	Total	134,761	57,601	42.74%	78,050	57.92%
	Undergraduate	103,928	45,008	43.31%	58,920	56.69%
2006	Total	137,095	59,045	43.07%	78,050	56.93%
	Undergraduate	105,893	46,458	43.87%	59,435	56.13%

Notes: Data is from National Center for Education Statistics Integrated Postsecondary Educational Data System (2006)

Appendix F

Ohio Private Institution Enrollment Demographics – Race

Year		White		Black		Hispanic		Asian		Non Resident Alien		Unknown	
		Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
1980	Total	94,498	88.8%	8,514	9.0%	884	0.9%	864	0.9%	2,091	2.2%	-	-
	UNG	75,830	87.6%	6,745	8.9%	610	0.8%	496	0.7%	1,406	1.9%	-	-
1984	Total	98,278	86.8%	7,571	7.7%	1,032	1.1%	1,138	1.2%	2,820	2.9%	-	-
	UNG	77,591	86.9%	6,216	8.0%	801	1.0%	840	1.1%	1,942	2.5%	-	-
1988	Total	104,202	87.8%	7,401	7.1%	1,032	1.0%	1,404	1.3%	2,774	2.7%	-	-
	UNG	84,308	88.1%	6,305	7.5%	838	1.0%	1,044	1.2%	1,754	2.1%	-	-
1992	Total	113,997	85.5%	8,962	7.9%	1,371	1.2%	2,057	1.8%	3,959	3.5%	5,724	5.0%
	UNG	91,173	85.9%	7,421	8.1%	1,144	1.3%	1,626	1.8%	2,521	2.8%	2,695	3.0%
1996	Total	118,131	79.3%	9,372	7.9%	1,689	1.4%	2,637	2.2%	4,000	3.4%	6,519	5.5%
	UNG	92,721	81.1%	7,560	8.2%	1,412	1.5%	1,923	2.1%	2,247	2.4%	4,111	4.4%
2000	Total	123,835	78.1%	9,623	7.8%	1,830	1.5%	2,773	2.2%	4,254	3.4%	8,309	6.7%
	UNG	96,312	80.0%	7,553	7.8%	1,472	1.5%	1,947	2.0%	2,422	2.5%	5,649	5.9%
2004	Total	134,761	76.0%	11,507	8.5%	2,201	1.6%	2,911	2.2%	3,987	3.0%	11,403	8.5%
	UNG	103,928	77.5%	8,834	8.5%	1,805	1.7%	1,990	1.9%	2,132	2.1%	8,303	8.0%
2006	Total	137,095	75.7%	12,104	8.8%	2,487	1.8%	3,029	2.2%	4,264	3.1%	10,984	8.0%
	UNG	105,893	77.5%	9,358	8.8%	2,075	2.0%	2,166	2.0%	2,228	2.1%	8,626	8.1%

Notes: Data is from National Center for Education Statistics Integrated Postsecondary Educational Data System (2006).

Appendix G

Ohio Private Institution Annual Tuition History

Institution Name	1980	1984	1988	1992	1996	2000	2006	% Change ^a
Edgewood College	\$2,450	-	-	-	-	-	-	
Antioch College	\$5,500	-	\$10,460	\$15,277	\$18,114	\$19,408	\$26,492	381.7%
Art Academy of Cincinnati	\$2,506	\$3,950	\$5,300	\$7,900	\$10,500	\$12,200	\$19,250	668.2%
Ashland University	\$4,205	\$5,930	\$7,955	\$10,583	\$12,600	\$15,134	\$20,666	391.5%
Athenaeum of Ohio	-	-	\$3,600	-	-	\$10,050	\$15,900	341.7%
Baldwin-Wallace College	\$4,323	\$6,108	\$7,845	\$10,455	\$12,765	\$15,340	\$21,236	391.2%
Bluffton University	\$3,510	\$4,968	\$6,525	\$8,685	\$11,250	\$14,076	\$20,170	474.6%
Borromeo College of Ohio	\$2,375	\$3,300	\$4,100	-	-	-	-	-
Capital University	\$4,280	\$6,335	\$8,700	\$11,810	\$14,200	\$16,880	\$25,100	486.4%
Case Western Reserve University	\$5,010	\$7,650	\$11,264	\$14,616	\$17,235	\$20,100	\$31,090	520.6%
Cedarville University	\$2,640	\$3,702	\$4,032	\$6,234	\$8,448	\$11,424	\$18,400	597.0%
Cincinnati Christian University	\$1,622	\$2,234	\$2,660	\$3,872	\$5,530	\$6,560	\$9,920	511.6%
Cincinnati College of Mortuary Science	-	-	\$5,250	\$6,750	\$8,455	\$10,650	\$13,500	157.1%
Ohio Christian University	\$1,710	\$2,860	\$3,207	-	\$4,850	\$7,040	\$10,940	539.8%
Siegal College of Judaic Studies	\$520				\$7,370	\$6,300	\$15,750	2928.8%

Appendix G

Ohio Private Institution Annual Tuition History

Institution Name	1980	1984	1988	1992	1996	2000	2006	% Change ^a
Cleveland Institute of Art	\$3,180	\$5,200	\$7,846	\$11,970	\$12,675	\$15,250	\$26,791	742.5%
Cleveland Institute of Music	\$4,691	\$6,500	-	-	\$16,178	\$18,675	\$27,950	495.8%
Columbus College of Art and Design	\$3,140	\$4,700	\$6,580	\$8,830	\$11,520	\$14,520	\$20,736	560.4%
University of Dayton	\$3,044	\$4,500	\$6,920	\$10,210	\$13,640	\$15,550	\$23,000	655.6%
Defiance College	\$3,550	\$4,730	\$6,530	\$9,386	\$12,950	\$14,850	\$19,260	442.5%
Denison University	\$5,165	\$8,110	\$11,360	\$15,640	\$19,470	\$21,710	\$29,860	478.1%
David N Myers University	\$2,250	\$3,200	\$4,060	\$5,300	\$7,500	\$8,760	\$10,800	380.0%
The University of Findlay	\$3,641	\$5,010	\$6,864	\$10,054	\$13,112	\$15,830	\$21,836	499.7%
Franklin University	\$1,620	\$2,560	\$3,816	\$4,397	\$5,066	\$5,983	\$7,905	388.0%
Gods Bible School and College	-	\$1,444	-	\$2,900	\$3,560	\$3,780	\$4,200	190.9%
Heidelberg College	\$4,410	\$6,930	\$9,390	\$12,380	\$15,140	\$16,998	\$17,000	285.5%
Hiram College	\$4,657	\$7,231	\$9,519	\$12,897	\$15,600	\$17,870	\$23,510	404.8%
John Carroll University	\$3,200	\$4,768	\$6,784	\$10,440	\$13,122	\$16,334	\$24,782	674.4%
Kenyon College	\$5,425	\$8,583	\$11,965	\$17,060	\$21,370	\$25,370	\$34,990	545.0%
Lake Erie College	\$3,693	\$6,100	\$7,200	\$8,960	\$12,950	\$15,140	\$21,936	494.0%
Lourdes College	-	\$2,000	\$4,210	\$5,493	\$7,700	\$9,024	\$9,360	368.0%

Appendix G

Ohio Private Institution Annual Tuition History

Institution Name	1980	1984	1988	1992	1996	2000	2006	% Change ^a
Malone College	\$3,361	\$4,740	\$6,207	\$8,490	\$10,765	\$12,800	\$17,520	421.3%
Marietta College	\$4,500	\$7,100	\$9,400	\$12,370	\$15,490	\$18,010	\$23,200	415.6%
Mercy College of Northwest Ohio	-	-	-	-	-	\$5,088	\$8,235	61.9%
Mount Carmel College of Nursing	-	-	-	\$8,909	\$11,350	\$13,650	\$7,060	-20.8%
Mount Union College	\$4,200	\$7,160	\$9,660	\$11,200	\$13,880	\$14,720	\$20,720	393.3%
Mount Vernon Nazarene University	\$2,200	\$3,576	\$4,744	\$6,230	\$9,240	\$11,468	\$16,366	643.9%
College of Mount St. Joseph	\$2,912	\$4,554	\$6,368	\$8,740	\$11,300	\$13,500	\$19,650	574.8%
Muskingum College	\$4,337	\$6,550	\$9,305	\$12,050	\$9,850	\$12,250	\$16,600	282.8%
Notre Dame College	\$2,375	\$3,850	\$5,000	\$7,400	\$11,000	\$13,686	\$19,580	724.4%
University of Northwestern Ohio	-	-	-	-	-	\$10,080	\$12,500	24.0%
Oberlin College	\$5,575	\$9,450	\$12,926	-	\$21,576	\$25,180	\$34,216	513.7%
Ohio Dominican University	\$3,280	\$4,610	\$5,900	\$7,370	\$8,910	\$10,710	\$20,500	525.0%
Ohio Northern University	\$3,651	\$5,415	\$8,385	\$13,455	\$17,970	\$21,435	\$28,050	668.3%
Ohio Wesleyan University	\$4,875	\$7,130	\$10,076	\$14,644	\$18,228	\$21,880	\$29,870	512.7%
Otterbein College	\$4,428	\$6,309	\$8,268	\$11,502	\$14,358	\$16,911	\$23,871	439.1%

Appendix G

Ohio Private Institution Annual Tuition History

Institution Name	1980	1984	1988	1992	1996	2000	2006	% Change ^a
Pontifical College Josephinum	\$2,062	\$2,382	\$5,480	\$4,816	\$6,420	\$8,276	\$14,560	606.1%
University of Rio Grande	\$2,460	\$3,687	\$4,470	\$5,598	\$7,161	\$8,421	\$13,530	450.0%
Franciscan University of Steubenville	\$2,860	\$4,620	\$5,450	\$7,990	\$10,870	\$12,690	\$16,970	493.4%
Tiffin University	\$2,080	\$2,990	\$4,700	\$6,500	-	\$11,130	\$15,870	663.0%
Union Institute & University	\$2,800	\$3,750	-	-	\$5,472	\$6,528	\$9,456	237.7%
Urbana University	\$2,621	\$4,500	\$5,250	\$8,075	\$9,824	\$11,388	\$16,254	520.1%
Ursuline College	\$2,570	\$3,670	\$5,550	\$8,430	\$10,710	\$13,500	\$19,860	672.8%
Walsh University	\$2,950	\$3,950	\$4,990	\$7,200	\$10,380	\$12,050	\$17,150	481.4%
Wilberforce University	\$2,230	\$3,440	\$5,330	\$6,646	\$7,240	\$8,800	\$10,500	370.9%
Wilmington College	\$3,345	\$5,385	\$6,186	\$9,100	\$11,710	\$14,230	\$20,166	502.9%
Wittenberg University	\$4,494	\$7,425	\$10,713	\$14,376	\$18,228	\$20,406	\$29,080	547.1%
The College of Wooster	\$5,285	\$7,641	\$10,590	\$14,380	\$18,380	\$21,520	\$29,840	464.6%
Xavier University	\$3,240	\$5,080	\$7,000	\$10,450	\$12,950	\$15,680	\$23,270	618.2%

Notes: Data is from National Center for Education Statistics Integrated Postsecondary Educational Data System (2006).

Appendix H

OhioLINK Member Institutions, Private Higher Education

Antioch College	Methodist Theological School in Ohio
Ashland University	Mount Carmel College of Nursing
Athenaeum of Ohio	Mount Union College
Baldwin-Wallace College	Mount Vernon Nazarene University
Bluffton University	Muskingum College
Capital University	Northeastern Ohio Universities College of Medicine
Case Western Reserve University	Notre Dame College
Cedarville University	Oberlin College
Cincinnati Christian University	Ohio Dominican University
College of Mount Saint Joseph	Ohio Northern University
College of Wooster	Ohio Wesleyan University
Columbus College of Art and Design	Otterbein College
David N. Myers University	Pontifical College Josephinum
Defiance College	Tiffin University
Denison University	Trinity Lutheran Seminary
Franciscan University of Steubenville	University of Dayton
Franklin University	University of Findlay
Heidelberg College	Urbana University
Hiram College	Ursuline College
John Carroll University	Walsh University
Kenyon College	Wilberforce University
Lourdes College	Wilmington College
Malone College	Wittenberg University
Marietta College	Xavier University
Mercy College	

Note. Member institution data from OhioLINK, 2007.

Letter of Consent to Participate in Research Study



CONSENT TO PARTICIPATE IN A RESEARCH STUDY

Title: State Policy and Private Higher Education in Ohio

My name is Timothy Bessler. I am a graduate student at Florida International University in Miami, Florida. I am doing research about state policy and private higher education in Ohio between the years of 1980 and 2006. My study includes short interviews with legislators, lobbyists, and higher-education leaders in the state. Your participation will require approximately thirty (30) minutes of your time. You have been chosen because of your role in the delivery of private higher education in Ohio.

Your consent to participate in this research is given when the interview is conducted. I will not be asking for any private or personal information, only information related to your public activities relating to private higher education in Ohio. However, due to your position and the necessity to attribute interview comments to the position of the individual who made them, it is possible that your responses may be linked back to you. The interview will be taped to allow for transcription of the interview. The interview tape will be destroyed once transcription is complete. There are no other known risks or benefits to you for helping with this research. If you choose not to participate in an interview, no other action is needed. You may also choose to stop your participation before you finish your interview.

You may keep this form just in case you want to contact someone about the study. If you have questions about the study before or after you complete the interview you can contact Tim Bessler at 513-616-4571. If you would like more information about this research after you are done, you can contact Benjamin Baez, Ph.D., at 305-348-3214, or me at 513.616.4571.

VITA

TIMOTHY S. BESSLER

1996	B.A., Art Xavier University Cincinnati, Ohio
1998	M.A., College Student Personnel Bowling Green State University Bowling Green, Ohio
1999	Doctoral Candidate, Higher Education Florida International University Miami, Florida
1998 – 1999	Assistant Director, Student Activities Barry University Miami Shores, Florida
1999 – 2003	Director, First Year Experience Barry University Miami Shores, Florida
2003 – 2005	Director, Center for Leadership & Transition Services Barry University Miami Shores, Florida
2005 – Present	Assistant Dean of Students College of Mount St. Joseph Cincinnati, Ohio

PUBLICATIONS AND PRESENTATIONS

Bessler, T. S., & Coleman, D. (2000). *What are the most common producers of stress in students? BARs: behaviors, attitudes and relationships. Campus Activities Programming*.

Bessler, T. S., & Brawn, D. (2001). *Spirituality in Orientation: A Missing Link?*
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- Bessler, T. S., & Droege, J. (2006). *Facebook: Friend or foe...Time to take aim*. Presented at the Ohio College Personnel Association and Ohio Association of Student Personnel Administrators Joint Conference, Columbus, Ohio.
- Bessler, T. S. (2007). *Facebook: Friend or Foe*. Presented at SOCHE and Ohio College Personnel Association Support Staff Conference, Urbana, Ohio.